

Facility Administration Manual

Project Number: 47083-004
MFF Number: 0077
October 2018

IND: Accelerating Infrastructure Investment Facility in India

The facility administration memorandum is an active document, progressively updated and revised as necessary, particularly following any changes in facility, project or program costs, scope, or implementation arrangements. This document, however, may not reflect the latest facility project or program changes.

Asian Development Bank

Abbreviations

| | | |
|-------|---|--|
| ADB | = | Asian Development Bank |
| AIIFI | = | Accelerating Infrastructure Investment Facility in India |
| ESMU | = | environment and social safeguards management unit |
| ESSF | = | environmental and social safeguards framework |
| IIFCL | = | India Infrastructure Finance Company Limited |
| IPPMS | = | investment program performance management system |
| FAM | = | facility administration manual |
| MFF | = | multitranche financing facility |
| PFR | = | periodic financing request |
| PMU | = | project management unit |
| SPS | = | Safeguard Policy Statement |

NOTES

- (i) The fiscal year (FY) of the India Infrastructure Financing Company Limited and the Government of India end on 31 March of the following year. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2014 ends on 31 March 2014.
- (ii) In this manual, "\$" refers to United States dollars.

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Facility Administration Manual Purpose and Process

The facility administration manual (FAM) describes the essential administrative and management requirements to implement the facility on time, within budget, and in accordance with the policies and procedures of the Government of India and Asian Development Bank (ADB). The FAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the FAM.

The India Infrastructure Finance Corporation Limited (IIFCL) is wholly responsible for the implementation of the ADB financed facility, as agreed jointly between IIFCL and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by IIFCL of its obligations and responsibilities for facility implementation in accordance with ADB's policies and procedures.

At loan negotiations, IIFCL and ADB shall agree to the FAM and ensure consistency with the Facility Agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the FAM and the Facility Agreement, the provisions of the Facility Agreement shall prevail.

After ADB Board approval of the facility's report and recommendations of the President, changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Facility Administration Instructions) and upon such approval they will be subsequently incorporated in the FAM.

I. FACILITY DESCRIPTION

1. Accelerating Infrastructure Investment Facility in India (AIIFI), involves a sovereign loan of \$700 million to India Infrastructure Finance Company Limited (IIFCL) to support the government's renewed effort in accelerating infrastructure growth through increased private sector investment as there are competing pressures on fiscal resources

2. The impact of the investment program would be increased availability of infrastructure. The outcome would be facilitated private sector investment in infrastructure public-private partnerships (PPPs).

II. IMPLEMENTATION PLANS

A. Facility Readiness Activities

| Indicative Activities | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 | Jan 2019 | Responsible Unit |
|---|----------|----------|----------|----------|----------|----------|------------------|
| ADB preclearance of subprojects for retroactive financing | | | X | | | | IIFCL, ADB |
| Establish facility implementation arrangements | X | | | | | | IIFCL |
| ADB Board approval | | | | X | | | ADB |
| Loan signing | | | | | X | | ADB, IIFCL, MOF |
| Government legal opinion provided | | | | | | X | IIFCL, MOF |
| Loan effectiveness | | | | | | X | ADB, IIFCL |

ADB = Asian Development Bank, IIFCL = India Infrastructure Finance Corporation Limited, MOF = Ministry of Finance.

Source: Asian Development Bank.

B. Overall Facility Implementation Plan

| | 2014 | | | | 2015 | | | | 2016 | | | | 2017 | | | | 2018 | | | | 2019 | | | | 2020 | | | | 2021 | | | | 2022 | | | | 2023 | | | | 2024 | | | |
|---|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|----|----|----|------|--|--|--|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | |
| A. Financing Availability | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tranche 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tranche 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tranche 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B. DMF | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Output 1: Enhanced availability of long-term finance for public-private partnership subprojects | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Output 2: Improved project management | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| C. Management Activities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual/Mid-term review | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Facility completion report | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

DMF = design and monitoring framework, Q = quarter.

Source: Asian Development Bank.

III. FACILITY MANAGEMENT ARRANGEMENTS

A. Facility Implementation Organizations–Roles and Responsibilities

Table 1: Roles and Responsibilities of India Infrastructure Finance Company Limited as Executing Agency and Implementing Agency

| Agency | Management Roles and Responsibilities |
|------------------------------|--|
| IIFCL as executing agency | <ul style="list-style-type: none"> • organize audits of the accounts by chartered accountants; • adequately staff the PMU headed by a program director, who will be a senior staff of IIFCL for program administration, loan disbursement, accounts maintenance, and reporting to ADB; • liaise with PMU and ADB to address any implementation issues; • prepare progress reports based on the information submitted by PMU; and • establish an IPPMS within 3 months of the signing of the PFR including a set of clearly measurable performance monitoring indicators relating to implementation, improvements, institutional development, and capacity building milestones including those in the DMF. |
| IIFCL as implementing agency | <ul style="list-style-type: none"> • ensure that the subborrower and subproject selection criteria is adopted in accordance with ADB procedures and IIFCL's Scheme;^a • implement the approval procedures for proposed subprojects; • assign adequate staff to the PMU cell to implement the ESSF and approval procedure for the proposed subprojects; • ensure implementation of the ESSF for evaluating subprojects for ADB financing; • price subloans in line with IIFCL's Scheme; • follow all due diligence procedures including with respect to environmental and safeguard norms; • monitor progress of subprojects in line with subproject proposals and the agreed monitoring benchmarks with the lead bank; • monitor implementation of the AIIFI in line with the IPPMS; • implement existing TA resources to upgrade credit appraisal and risk management capacity; • ensure implementation of funds flow and disbursement requirements to eligible subprojects; • ensure auditing of loan proceeds and maintenance of accounts; and • obtain and provide to ADB all disbursement-related documentation and fulfill certification requirements. |
| ADB | <ul style="list-style-type: none"> • confirm progress of subprojects in line with subproject proposals and the agreed monitoring benchmarks with the lead bank; • confirm implementation of the project in line with the IPPMS; • confirm implementation of funds flow and disbursement requirements to eligible subprojects; • confirm IIFCL's maintenance maintaining a ledger account for ADB funds and closely monitoring usage of funds for eligible subprojects; • ensure that ADB funds be available at any time without restriction on withdrawing fund for eligible subprojects; • confirm auditing of loan proceeds and maintenance of accounts; and • obtain and provide to ADB all disbursement-related documentation and fulfill certification requirements |

ADB = Asian Development Bank, AIIFI = Accelerating Infrastructure Investment Facility in India, DMF = design and monitoring framework, ESSF = environmental and social safeguards framework, IIFCL = India Infrastructure Finance Company Limited, IPPMS = investment program performance management system, PFR = periodic financing request, PMU = project management unit, TA = technical assistance.

^a Scheme refers to both SIFTI and Take-out Scheme; SIFTI = Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called the India Infrastructure Finance Company Limited.

Source: Asian Development Bank.

B. Key Persons Involved in Implementation

Executing/implementing agency

India Infrastructure Finance
Company Limited

Officer's Name: Anil Taneja
Position: Manager
Telephone: + 91 11 23760251
Email address: aniltaneja@iffcl.org
8th Floor, Hindustan Times Building
18 & 20, Kasturba Gandhi Marg
New Delhi 110 001

Asian Development Bank

Public Management, Financial
Sector and Trade Division

Staff Name: Bruno Carrasco
Position: Director
Telephone No. +63 2 632 5929
Email address: bcarrasco@adb.org

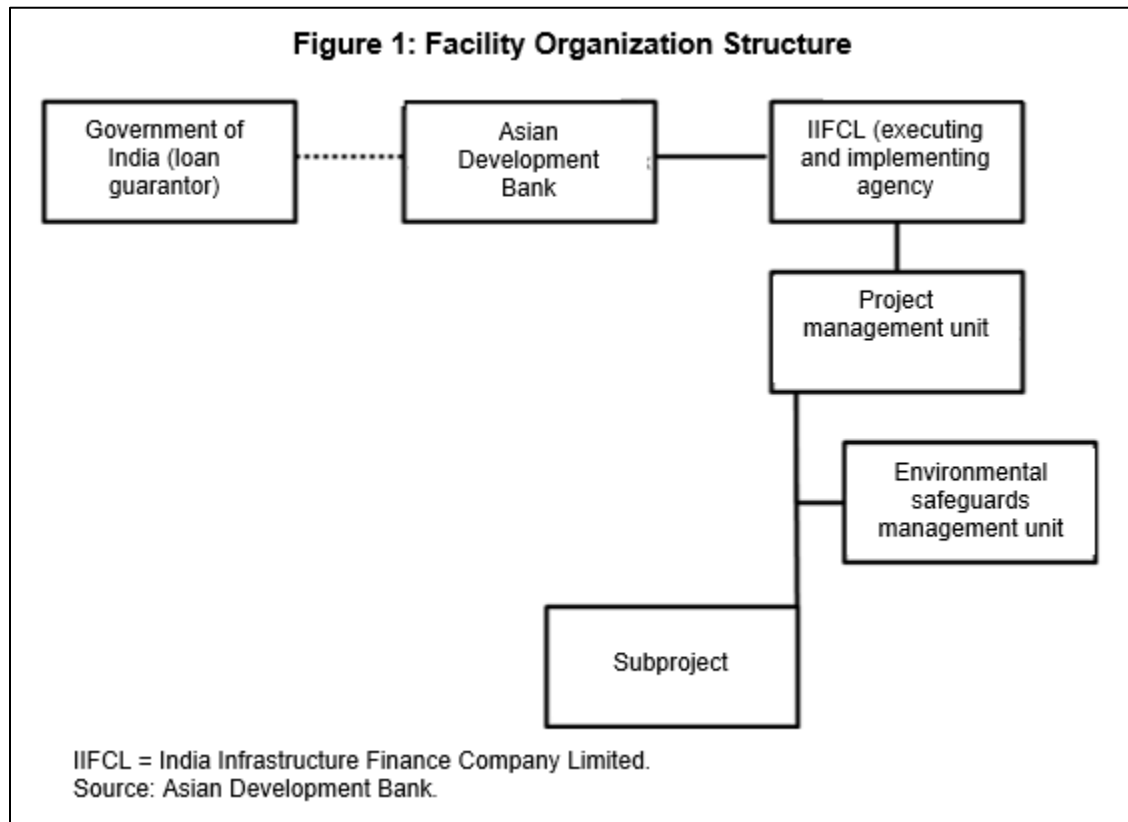
Mission Leader

Tranche 1: Vivek Rao
Position: Principal Financial Sector Specialist
Telephone No. +63 2 632 5831
Email address: vr Rao@adb.org

Tranche 2: Donald Lambert
Position: Senior Finance Specialist
Telephone No. +63 2 632 5921
Email address: dlambert@adb.org

Tranche 3: Donald Lambert
Position: Principal Finance Specialist
Telephone No. +63 2 632 5921
Email address: dlambert@adb.org

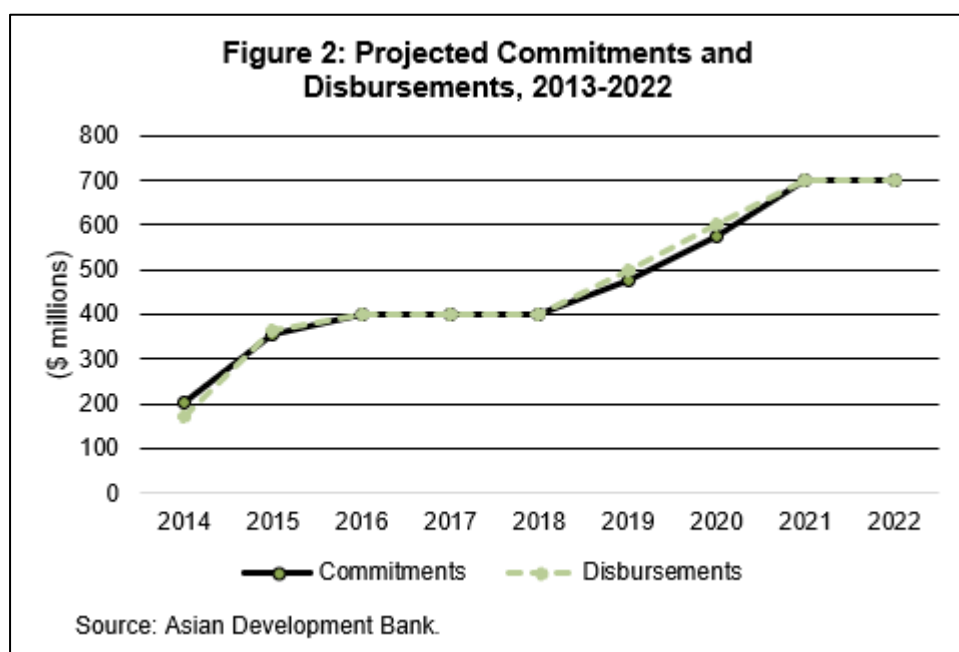
C. Facility Organization Structure



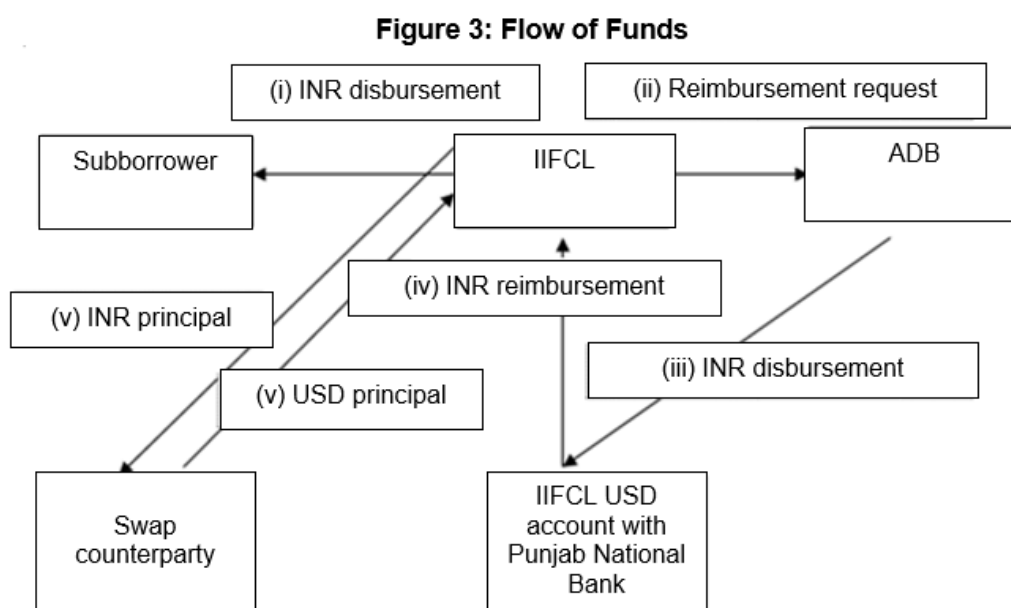
IV. COSTS AND FINANCING

3. IIFCL projects that it will need to raise \$9.4 billion through FY2019 to support its lending operations, and the Government of India has requested a loan of \$700 million from ADB's ordinary capital resources for IIFCL. ADB's loan would represent approximately 7.4% of IIFCL's anticipated borrowings.
4. The government will provide a sovereign guarantee in form and substance acceptable to ADB for the term of each loan as a condition precedent to the effectiveness of each tranche.
5. IIFCL will use the borrowings to fund qualified subprojects under the Scheme. IIFCL will cover up to 20% of project costs for greenfield projects and up to 30% of project costs for takeout financing, which is the maximum amount that IIFCL is allowed to finance under its internal procedures (see Supplementary Appendix B of the Periodic Financing Request for Accelerating Infrastructure Investment Facility in India [Tranche 3]).

A. Commitment and Disbursement S-Curve



B. Fund Flow Diagram¹



ADB = Asian Development Bank, IIFCL = India Infrastructure Finance Company Limited, INR = Indian rupee, USD = US dollar.

Source: Asian Development Bank.

¹ Applies only to Tranche 1. See Tranche 3's Project Administration Manual for applicable information.

V. FINANCIAL MANAGEMENT²

A. Financial Management Assessment

6. Overall, IIFCL's financial management is adequate. IIFCL has strong support from the Government of India, adequate corporate governance and internal controls, an established record of implementing ADB facilities, and a demonstrated ability to implement institutional reforms. To complement these strengths, ADB's facility includes an action plan to assist IIFCL to further deepen its financial management (Table 2).

Table 2: Financial Management Action Plan

| Agreed Action | Responsible Party | Agreed Completion Date |
|---|-------------------|---|
| In the absence of RBI's approval of IIFCL's NBFC application, IIFCL will maintain a credit rating from an international rating agency acceptable to ADB. | PMU, IIFCL | Not applicable |
| IIFCL will institute quarterly risk management reporting to its risk committee. The presentation and discussion will address, at a minimum, changes in the risk profile of IIFCL's loan and investment portfolio and the status of IIFCL's "implementation plan" for its "integrated risk management systems project" of February 2013. | PMU, IIFCL | Within 6 months of loan effectiveness of project 1 |
| Within 6 months of effectiveness of project 1, IIFCL will finalize the implementation of an integrated management information system to replace the current manual systems. | PMU, IIFCL | Within 6 months of loan effectiveness of project 1 |
| IIFCL will implement on a timely basis the integrated risk management systems project of February 2013. | PMU, IIFCL | As stipulated in IIFCL's approved "implementation plan" |

IIFCL = India Infrastructure Finance Corporation Limited, n/a = not applicable, NBFC = nonbank financial corporation, RBI = Reserve Bank of India, PFR = periodic financing request, PMU = project management unit.
Source: Asian Development Bank.

B. Disbursement³

7. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),⁴ and detailed arrangements agreed upon between IIFCL and ADB. Online training for project staff on disbursement policies and procedures is available.⁵ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

8. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),⁶ ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth in Appendix 5 of the SPS. All financial institutions will ensure that their investments are in compliance with applicable national laws and regulations and will apply the prohibited investment activities list (SPS, Appendix 5) to subprojects financed by ADB.

9. With regard to the withdrawal application reimbursement procedures for individual subprojects:

² Applies only to Tranche 1. See Tranche 3's Project Administration Manual for applicable information.

³ Applies only to Tranche 1. See Tranche 3's Project Administration Manual for applicable information.

⁴ The handbook is available electronically from the ADB website (<https://www.adb.org/documents/loan-disbursement-handbook>).

⁵ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning.

⁶ Available at <http://www.adb.org/site/safeguards/policy-statement>.

- (i) IIFCL is required to prepare and submit a separate withdrawal application for each subproject. The withdrawal application is provided in Appendix 2 and a summary sheet is provided in Appendix 3.
- (ii) The initial withdrawal application and summary sheet of a subproject must have supporting documents including (a) subloan evaluation form that includes procurement arrangements, (b) project information memorandum, (c) safeguards compliance certificate accompanied by due diligence report, (d) environmental impact assessment or an initial environmental examination, (e) latest copy of the lenders' independent engineer's report regarding physical progress, (f) utilization certificate endorsed by lender's agent, and (g) evidence of IIFCL's payment to the subproject.
- (iii) For subsequent withdrawal applications for the same subproject, IIFCL must submit (a) a withdrawal application with summary sheet, (b) the latest copy of the lenders' independent engineer's report regarding physical progress, (c) a utilization certificate endorsed by the lender's agent, and (d) an evidence of payment made by IIFCL to the subproject.

10. Withdrawal applications and supporting documents will demonstrate, among other things, that the goods and/or services were produced in or from ADB members and are eligible for ADB financing (refer to Appendix 5 of the SPS).

11. ADB will normally reimburse IIFCL in the same currency that IIFCL used for the subloan. Since that will usually be in Indian rupees, ADB will pay Indian rupees into any account that IIFCL nominates. ADB may also reimburse IIFCL in equivalent United States dollar adopting the prevailing spot rate on the date that IIFCL makes a disbursement. ADB disbursements will be through real time gross settlement system of India, wherein ADB transfers rupees into its bank in India, who will transfer to IIFCL's bank in India through the real time gross settlement system. IIFCL may then enter into a currency swap with a local counterparty to hedge its risk.

12. If IIFCL opts to receive United States dollars, it will have to provide ADB with United States dollar account details. If the account is not inside the United States, IIFCL will also have to provide ADB with a correspondent bank in the United States. ADB will transfer United States dollars using the swift protocol. If IIFCL's offshore account is in the euro zone, IIFCL will provide ADB with the International Bank Account Number code.

13. Before the submission of the first withdrawal application, IIFCL should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications together with the authenticated specimen signatures of each authorized person.

14. The minimum value per withdrawal application is US\$100,000 unless otherwise approved by ADB.

15. In accordance with ADB's multitranche financing facility guidelines, retroactive financing up to 20% of the proceeds of the first tranche will be permissible for past disbursements that have occurred at most 12 months prior to loan signing. In all cases of retroactive financing, the subborrower will carry out and operate the subproject in accordance with sound administrative, financial, economic, engineering, environmental, social safeguards, and business practices, including maintenance of adequate accounts and records. The subproject would be procured under guidelines acceptable to ADB. The selection of the subproject will be in accordance with subproject and subborrower selection criteria and approval process as indicated in paragraph 17 and will include compliance with IIFCL's environmental and social safeguards framework (ESSF).

16. ADB may, subject to its policies and procedures, allow on request, a free limit for IIFCL of up to \$30 million for qualified subprojects.

C. Subproject and Subborrower Selection Criteria

17. The Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called the India Infrastructure Finance Company Limited (SIFTI) provides definitions, eligibility criteria, appraisal, and monitoring and lending terms to subprojects. Thus, the eligibility requirements for subproject and subborrower selection criteria of AIIFI will adhere to SIFTI which includes, *inter alia*, appraisal of the subproject by the designated specialized appraisal agency for technical, economic, and commercial viability and review and acceptance of the results of the appraisal by the lead bank.⁷ In addition, subprojects will be required to meet the ADB requirements as well as to follow the subproject approval procedures details of which are stipulated in the loan agreement, framework financing agreement, and will include safeguard and procurement compliance requirements.

D. Accounting⁸

18. IIFCL will, through its project management unit, maintain separate books and accounts relating to all subloans financed out of ADB's loan proceeds relating to this facility. IIFCL will separately prepare and submit to ADB in the English language within 6 months of the end of the fiscal year according to generally accepted accounting principles the audited "statement of utilization of funds" approved and reimbursed by ADB (statement of subprojects). The statement of utilization of funds will be prepared using the same accounting principles and guidelines as IIFCL's statutory financial statements.⁹

19. In addition, IIFCL will also submit to ADB a copy of its own entity-level audited financial statements, together with the auditors' report and management letter, in the English language, within 1 month after their approval by IIFCL's board of directors.

E. Auditing and Public Disclosure¹⁰

20. The statement of subprojects will be subject to audit by an independent auditor appointed by IIFCL's audit committee of the board of directors. The audit will be conducted in accordance with national auditing standards applicable in India. The audit opinion will include the auditor's review of subprojects approved by ADB and will address (i) whether or not the statement of subprojects presents fairly, in all material respects, subprojects funded by ADB; (ii) whether or not loan proceeds were used only for the purposes of the facility/project under the related tranche; (iii) the level of compliance for each financial covenant contained in the legal agreements for the project under the related tranche; and (iv) if applicable, the use of the statement of expenditure (SOE) procedure certifying to the eligibility of those expenditures claimed under SOE procedures in accordance with ADB's Loan Disbursement Handbook and the legal agreements for the project

⁷ IIFCL's Scheme requires IIFCL to only finance commercially viable projects and provide financing on commercial terms and price loans accordingly. Thus, all aspects of project economics and credit worthiness with regard to subprojects are subject to extensive due diligence prior to loan approval by IIFCL. Further, as the Scheme requires IIFCL to finance subprojects in critical infrastructure subsectors only, the positive development impact is a given.

⁸ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

⁹ The statement of subprojects and its audit by an independent auditor satisfies the requirements of Section 5.06(iii) of the loan agreement. IIFCL's statutory financial statements are prepared in accordance with Indian accounting standards.

¹⁰ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

under the related tranche. The audit report will also include an audit management letter (which sets out the deficiencies in the internal control of the project under the related tranche that were identified in the course of the audit, if any). A sample audit letter is in Appendix 4.

21. To support timely submission, the statement of utilization of funds should be submitted to the independent auditor for audit within 3 months of the end of the fiscal year.

22. Review missions and normal facility supervision will monitor compliance with financial reporting and auditing requirements and will follow up with concerned parties, including the external auditor.

23. ADB has made IIFCL aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited statement of subprojects and entity-level financial statements.¹¹ ADB reserves the right to require a change in the auditor (in a manner consistent with the articles of association and memorandum of association of the borrower, or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB retains the right to verify or have audited (i) any subproject, (ii) the validity of IIFCL's certification for each withdrawal application, and (iii) that ADB's financing is used in accordance with ADB's policies and procedures.

24. Public disclosure of the audit opinion and related statement of subprojects will be guided by ADB's Public Communications Policy (2011). After review, ADB will disclose these within 30 days of the date of their receipt by posting them on ADB's website. The audit management letter and the entity-level audited financial statements will not be disclosed.

VI. PROCUREMENT AND CONSULTING SERVICES

25. All procurement to be financed under an ADB loan will be carried out in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).¹² ADB will encourage IIFCL to require its subborrowers to adopt internationally competitive bidding procedures to the extent possible when the amount of the investment is unusually large, and economy and efficiency can be gained by following such procedures. For procurement of goods and services to be financed by subloans from the ADB loan, IIFCL will ensure that the price paid is reasonable and that account is taken of factors such as time of delivery, efficiency, and reliability. For build-operate-transfer projects and their variants, if the subproject sponsor or engineering procurement and construction contractor is selected through competitive bidding among international entities in accordance with procedures acceptable to ADB, such engineering procurement and construction

¹¹ ADB policy on delayed submission of the audited statement of subprojects and entity-level financial statements: (i) when either the statement of subprojects or entity-level financial statements has not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new commitments and disbursement, processing of new reimbursement, and issuance of new commitment letters will not be processed; (ii) when either the statement of subprojects or entity-level financial statements has not been received within 6 months after the due date, ADB will withhold processing of requests for new commitments and disbursement, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months; and (iii) when either the audited statement of subprojects or entity-level financial statements has not been received within 12 months after the due date, ADB has the option to suspend the loan.

¹² ADB. 2013. *Procurement Guidelines*. Manila.

contractor may apply its own procedures for procurement provided that such procurement is for goods, services, and works supplied from or produced in ADB member countries.

VII. SAFEGUARDS¹³

26. ADB took the lead while processing the first India Infrastructure Project Finance Facility (IIPFF I) to develop a common ESSF in consultation with the Japan Bank for International Cooperation, KfW, and the World Bank.¹⁴ IIFCL adopted the ESSF, which is uploaded to its website.¹⁵ The ESSF was updated during the processing of IIPFF I in 2010. IIFCL again revised and updated the ESSF in July 2013. Following IIPFF I, IIFCL has further developed the capacity of its environmental and social safeguards management unit (ESMU) with support from ADB and other development partners.

27. IIFCL will ensure that all subprojects under AIIFI will continue to comply with the requirements of the ESSF (2013) and that its ESMU has sufficient and qualified staff.

VIII. GENDER AND SOCIAL DIMENSIONS

28. The project has minimal gender dimensions. However, IIFCL will promote adherence to national core labor standards, gender equality, and women's empowerment as consistent with the government's legislations and regulations.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Facility Design and Monitoring Framework

| Design Summary | Performance Targets and Indicators with Baselines | Data Sources and Reporting Mechanisms | Assumptions and Risks |
|---|--|--|--|
| Impact Increased availability of infrastructure | Infrastructure investment to increase to reach 10% of GDP by FY2023 (baseline: average investment over Eleventh Five-Year Plan at 7.22% of GDP) Private investment accounts for 47% of total infrastructure investment by FY2023 (baseline: private sector investment at 38% of total infrastructure investment in Eleventh Five-Year Plan) | For all indicators for impact: Planning Commission infrastructure reports, Annual Economic Survey of India RBI banking survey and annual reports | Assumption Delivery mechanisms and enabling environment for infrastructure investment strengthened |

¹³ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

¹⁴ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

¹⁵ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

[illegible]

| Design Summary | Performance Targets and Indicators with Baselines | Data Sources and Reporting Mechanisms | Assumptions and Risks |
|--|--|---------------------------------------|---|
| | Capacity upgraded periodically through training beginning April 2014 | | |
| Activities with Milestones^b | | | Inputs |
| 1. Enhanced availability of long-term finance for PPP subprojects 1.1 Identify and finalize subproject pipeline to be financed by ADB funds (March 2013–October 2013) 1.2 Commence due diligence of five sample subprojects by ADB (May 2013) 1.3 Finalize financial management assessment on IIFCL by ADB (October 2013) 1.4 Update and revise the ESSF of IIFCL (October 2013) 1.5 Commence due diligence of subprojects by IIFCL (ongoing from April 2014 until 2019) 2. Improved project management (continues to 2019) 2.1 Identify list of subprojects and submit PFR for first tranche of \$400 million by September 2013 2.2 Negotiate and sign PFR for first tranche by FY2014 2.3 Fully utilize the first tranche by end of December 2016 2.4 Identify list of subprojects for second tranche of \$300 million by FY2015 2.5 Submit PFR for second tranche for release by December 2015 2.6 Fully utilize second tranche of \$300 million by 31 March 2019 2.7 Identify PMU staff for training on risk management and credit appraisal in the first quarter of each year (ongoing until 2018) 2.8 Conduct quarterly risk management assessment and prepare report to IIFCL's risk management committee by July 2014 2.9 Implement transition to an integrated management information system by July 2014 2.10 Complete the IIFCL's implementation plan for internal risk management by July 2016 2.11 Regularize the post of ESMU head by April 2015 2.12 Commence recruitment of remaining position in ESMU by April 2014 | | | ADB (ordinary capital resources): \$700 million Local market borrowings: \$6.53 billion Foreign borrowings: \$1 billion Equity and reserve: \$1.20 billion |

ADB = Asian Development Bank, ESMU=environment and safeguards management unit, GDP = gross domestic product, IIFCL = India Infrastructure Finance Company Limited, PFR = periodic financing request, PMU = project management unit, PPP = public-private partnership, RBI = Reserve Bank of India, SIFTI = Scheme for Financing Infrastructure through IIFCL.

^a Scheme refers to both the scheme for financing viable infrastructure projects through a special purpose vehicle called the IIFCL and the take-out scheme.

^b Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

Source: Asian Development Bank.

B. Monitoring¹⁶

29. ADB will, at its discretion, conduct reviews of the management, financial, and operational performance of the borrower and subprojects financed under the AIIFI initially after the closing of withdrawals. The review will include procurement procedures utilized by the AIIFI-financed infrastructure projects.

30. The performance of AIIFI will be reviewed periodically at three levels—by IIFCL, (through the PMU on a quarterly basis), semi-annually by IIFCL's Board of Directors, and annually by ADB, and at the tripartite review meetings among the Government of India, ADB, and IIFCL. The review of performance for each quarter by the PMU will be completed by the 10th day of the month

¹⁶ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

following the quarterly review. IIFCL's Board of Directors will review the performance semi-annually and will forward the semi-annual progress reports to ADB by the 10th day of the month following the semi-annual review. ADB will review the quarterly progress and semi-annual reports during the annual review missions and during the tripartite reviews chaired by the government. In addition, a midterm review of the investment program will be conducted in 2015. The review will cover contract awards and disbursement, implementation progress including progress against institutional development and capacity building milestones, social and environmental aspects, and the status of the investment program performance management system (IPPMS). The midterm review will identify problems or weaknesses in the implementation arrangements, suggest nominal changes in scope, outputs, and due diligence, and agree on suggested changes.

C. Evaluation¹⁷

31. ADB will review IIFCL's quarterly progress reports and semiannual reports and undertake semiannual review missions.

32. ADB will conduct a midterm review in 2017. The review will cover disbursements, implementation progress, ESSF implementation, and the status of the design and monitoring framework. The review will identify weaknesses and suggest changes in scope, outputs, and due diligence, as required.

D. Reporting¹⁸

33. IIFCL will provide ADB with:

- (i) semiannual progress reports within 10th day after the close of the half year in a format consistent with ADB's facility performance reporting system;
- (ii) consolidated annual reports including (a) progress achieved by output as measured through the design and monitoring framework, (b) key implementation issues and solutions, (c) updated implementation plan for next 12 months; and
- (iii) a facility completion report within 6 months of the completion of the facility.

34. The semiannual progress reports will provide (i) a narrative description of progress made during the review period (to include the implementation of the Deloitte recommendations on risk management), (ii) changes in the implementation schedule, (iii) problems or difficulties encountered, and (iv) activities for the next period. The progress reports will also include a summary financial account for the subproject components consisting of subproject expenditures during the period, total expenditures to date, and benefits monitoring in accordance with procedures acceptable to ADB. A pro forma quarterly and semiannual report is included in Appendix 5.

E. Stakeholder Communication Strategy

35. The communications requirements of the MFF at the overall ADB project level are minimal since there are no direct social or environmental impacts, or behavior change activities stemming from the financing facility. Communications activities will therefore focus on media and corporate communications regarding the value of ADB's sustained partnership with IIFCL and the potential and actual positive outcomes made possible by the MFF. These can contribute to encouraging active use of the facility and raising broad awareness of ADB, IIFCL, and the benefits of improved

¹⁷ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

¹⁸ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

infrastructure.

36. However, the MFF will indirectly finance a variety of infrastructure projects such as roads, airports, and energy projects, which have the potential for large and sustained social and environmental impacts. All projects financed by the MFF need to comply with standardized safeguards planning, which includes tailored communication. Compliance should be led by the project companies themselves with monitoring from IIFCL and ADB. This project communications strategy will need to be updated accordingly as the need arises.

X. ANTICORRUPTION POLICY

37. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹⁹ All subprojects financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of IIFCL and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contract under the project.²⁰

38. To support these efforts, relevant provisions are included in the loan regulations.

39. Under IIFCL's operations manual, IIFCL discloses to its board all financial relationships and transactions of nonexecutive directors in its annual report. The compensation of all board members is also disclosed. IIFCL management is required to disclose to the board all material, financial, and commercial transactions where members of management have a personal interest and transactions where such members have a potential conflict of interest with the interests of IIFCL.²¹ In the event that a director is an interested party in a transaction (based on disclosure), the director may not, in any way, take part in or influence arrangements in the transaction, in accordance with Section 300(1) of the Companies Act.

40. IIFCL has a "whistle blower" and a "fraud prevention and detection policy" policy to maintain ethical standards. Staff who notices unethical or improper practices are able to approach the audit committee without informing their supervisors. On review of the compliance, the audit committee designates an investigation officer, who is required to submit a report within 30 days, or 3 months if the case has vigilant overtones. The case may then be investigated interdepartmentally or may be entrusted to the Central Bureau of Investigation. Once an investigation is initiated, the interdepartmental authorities or the Central Bureau of Investigation are responsible for conducting the entire process to its logical conclusion including drafting of the charge sheet and conduct of criminal proceedings.

XI. ACCOUNTABILITY MECHANISM

41. People who are, or may in the future be, adversely affected by the facility may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted facilities can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability

¹⁹ Anticorruption Policy: <https://www.adb.org/documents/anticorruption-and-integrity-policies-and-strategies>.

²⁰ ADB's Integrity Office web site: <https://www.adb.org/site/integrity/main>.

²¹ Nondisclosure is a punishable offense under Section 299(4) of the Companies Act.

Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²²

XII. RECORD OF FAM CHANGES

42. This section will retain all revisions and updates that occur during implementation to provide a chronological history of changes. During the preparation of tranche 2, the following changes were made to the FAM:

- (i) mission leaders updated,
- (ii) cross-referenced tranche 3's project administration manual for those sections of the FAM where tranche 3 has separate procedures, and
- (iii) submission of IIFCL's financial statements changed from 6 months after the fiscal year to 1 month after IIFCL's board approval of the financial statements.

²² For further information: <https://www.adb.org/site/accountability-mechanism/main>.

INDICATIVE LIST OF SUBPROJECTS¹

| SL. No. | Name of Project | Sector | State | Project Cost (in Crores) | Net Sanction (in Crores) |
|--------------------------|---|----------------------|----------------------------|---------------------------------|---------------------------------|
| A. DIRECT LENDING | | | | | |
| 1 | Western UP Power Transmission Co. Ltd. | Transmission | Uttar Pradesh | 5050.00 | 750.00 |
| 2 | Jabalpur Transmission Company Ltd. | Transmission | Madhya Pradesh | 1160.00 | 190.00 |
| 3 | Bhopal Dhule Transmission Company Ltd. | Transmission | Madhya Pradesh | 1700.00 | 340.00 |
| 4 | Bothe Windfarm Development Pvt. Ltd. | Power- Wind | Maharashtra | 1308.00 | 150.00 |
| 5 | Krishnapatnam Railway Company Ltd. | Railway | Andhra Pradesh | 1396.00 | 279.00 |
| 6 | Orange City Water Private Limited | Urban Infrastructure | Maharashtra | 578.00 | 50.00 |
| 7 | GVK Bagodara Vasad Expressway Pvt. Ltd. | Road | Gujarat | 1189.03 | 200.00 |
| 8 | BSCPL Aurang Tollways Limited | Road | Chhatisgarh | 1236.00 | 168.00 |
| 9 | Hospet Chitradurga Tollways Ltd. | Road | Karnataka | 1102.81 | 100.00 |
| 10 | IVRCL Raipur Bilaspur Tollways Ltd. | Road | Chhatisgarh | 1285.96 | 244.00 |
| 11 | Patna Baxur Tollways Ltd. | Road | Bihar | 1507.27 | 238.00 |
| 12 | Vindhyachal Expressways Pvt Ltd | Road | Madhya Pradesh | 1272.50 | 120.00 |
| 13 | Solapur Bijapur Tollways Pvt Ltd | Road | Maharashtra and Karnataka | 1183.60 | 160.00 |
| 14 | Sidhi Singrauli Road Projects Ltd | Road | Madhya Pradesh | 1094.16 | 150.00 |
| 15 | Essel Walajahpet Poonamallee Toll Road Pvt. Ltd. | Road | Tamil Nadu | 1548.61 | 164.00 |
| 16 | Transstroy Karnataka-Kerela-Kannur Tollways Pvt. Ltd. | Road | Karnataka and Kerala | 1157.89 | 140.00 |
| 17 | Jind Haryana Toll Road Pvt Ltd | Road | Haryana | 515.00 | 100.00 |
| 18 | Transstroy Obedullaganj-Betul Tollways Pvt. Ltd. | Road | Madhya Pradesh | 982.95 | 160.00 |
| 19 | Chetak Tollways Ltd. | Road | Rajasthan | 577.08 | 115.00 |
| 20 | ACP Tollways Pvt. Ltd. | Road | Uttar Pradesh | 1757.39 | 240.00 |
| 21 | Agra Etawah Tollways Ltd. | Road | Uttar Pradesh | 16.84.5 | 200.00 |
| 22 | Sai Maatarani Tollways Ltd. | Road | Orissa | 2320.00 | 280.00 |
| 23 | L&T Deccan Tollways Ltd. | Road | Andhra Pradesh | 1272.50 | 254.50 |
| 24 | Rampur Highways Project Ltd. | Road | Uttar Pradesh, Uttarakhand | 1071.00 | 153.25 |
| 25 | Sikar Bikaner Highway Ltd. | Road | Rajasthan | 901.37 | 130.00 |

¹ Applies only to tranche 1. See tranche 3's Supplementary Appendix B.

| SL. No. | Name of Project | Sector | State | Project Cost (in Crores) | Net Sanction (in Crores) |
|---------------------------------------|--|---------|----------------|--------------------------|--------------------------|
| 26 | Shreenathji Udaipur Tollway Private Limited | Road | Rajasthan | 1151.46 | 160.00 |
| Subtotal A | | | | | 5235.75 |
| B. TAKEOUT FINANCE | | | | | |
| 27 | Idaa Infrastructure Pvt. Ltd. | Road | Gujarat | 1409.00 | 277.00 |
| 28 | GMR Hyderabad International Airport | Airport | Andhra Pradesh | 2478.00 | 191.10 |
| 29 | MEP Infrastructure Road Pvt. Ltd. | Road | Maharashtra | 2233.00 | 400.00 |
| 30 | Kosi Bridge Infrastructure Company Ltd. | Road | Bihar | 439.61 | 138.88 |
| 31 | Mumbai Nasik Expressway Ltd. | Road | Maharashtra | 811.00 | 210.60 |
| Subtotal B | | | | | 1217.58 |
| C. SUBDEBT | | | | | |
| 32 | Essel Walajahpet Poonamallee Toll Road Pvt. Ltd. | Road | Tamil Nadu | 1548.61 | 120.00 |
| Subtotal C | | | | | 120.00 |
| Total A + B+ C | | | | | 6573.33 |
| Total A + B+ C (in \$ million) | | | | | 1163.43 |

WITHDRAWAL APPLICATION FORM FOR DIRECT PAYMENT AND REIMBURSEMENT¹**WITHDRAWAL APPLICATION FOR DIRECT PAYMENT
AND REIMBURSEMENT**Asian Development Bank 

Date: _____

To: Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines

Attention: Loan Administration Division, Controller's Department (CTLA)

ADB Loan No. _____

Application No.

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Type of Disbursement
☐ Direct Payment
☐ Reimbursement

Sir/Madam:

1. In connection with the Loan Agreement dated _____ between the Asian Development Bank and the
(Borrower) _____, please pay from the Loan Account:

| Currency | Amount in Figure | Amount in Words |
|----------|------------------|-----------------|
| | | |

The said amount is required for payment or reimbursement of eligible expenditures in the said currency as described in the attached Summary Sheet(s).

2. The undersigned certifies and agrees as follows:
- these expenditures were/are/will be made for the purposes specified in the Loan Agreement and the undersigned has not previously withdrawn from the Loan Account or obtained or will obtain any other loan, credit, or grant for the purpose of fully or partially meeting these expenditures.
 - the goods or services have been procured in accordance with the Loan Agreement and the cost and terms of the purchase thereof are reasonable and in accordance with the relevant contract(s).
 - the goods or services were or will be produced in and supplied by a member country of ADB as specified in the attached Summary Sheets(s).
 - for expenditures claimed on the basis of a Statement of Expenditures (SOE), all authenticating documents have been retained in the location shown on the individual SOE Summary Sheets and will be made available for review by auditors and ADB representatives upon request.
 - as of the date of this application, there is no existing default under the Loan Agreement, the Project Agreement or the Guarantee Agreement, if any.
 - if any funds withdrawn pursuant to this application are returned, the current value of such funds will be applied as credit to the Loan Account or, if the amount is small, applied to the next loan service payment due.

3. Payment Instructions:**A. Payee's Name and Address**

Payee's Name _____

Payee's Address _____

B. Name and Address of Payee's Bank and Account No.

Bank Name _____

Bank Address _____

Payee's Account No. _____

SWIFT Code _____

C. Correspondent Bank (If Payee's Bank is not located in the Country whose currency is claimed, enter the name and address of their bank's correspondent in the country whose currency is to be paid.)

Bank Name _____

Bank Address _____

Account No. of _____

Payee's Bank _____

SWIFT Code _____

D. Special Payment Instructions and Other References

4. This application consists of _____ pages including _____ pages of Summary Sheets.

From:

Name of Borrower _____

Signature of Authorized Representative(s) _____

Printed Name/Position/Title of Authorized Representative(s) _____

¹ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

Instructions in preparing the Withdrawal Application Form for Direct Payment and Reimbursement (ADB Form ADB-DRP/RMP)

General Instructions

1. Submit original Withdrawal Application (WA) to the Asian Development Bank (ADB) (or to its Resident/Regional Mission, if instructed).
2. Prepare separate WA for each currency of payment and for each payee.
3. Number WAs consecutively, not exceeding five digits/characters.
4. Consolidate claims until the amount being withdrawn is at least US\$100,000 equivalent or an amount advised by ADB.
5. When completed, verify the application for completeness of supporting documentation and accuracy of details before passing to the Authorized Representative(s) for signature. Mistakes and omissions result in delayed payment.

Withdrawal References

1. **Date:** Enter the date the WA is signed by Authorized Representative(s), not the date it was prepared.
2. **Loan Number:** Show ADB loan number clearly.
3. **Application Number:** Number WAs consecutively. If the project has more than one executing agency (EA) or implementing agency, the project coordinator should assign an alpha identification for each EA. For example : A0001 to A9999 for EA no. 1 and B0001 to B9999 for EA no. 2.
4. **Type of Disbursement:** Indicate in the appropriate box the type of WA claim, whether for Direct Payment or Reimbursement Procedure.

Payment Instructions

1. **Payee Name and Address:** Indicate full name and address of Payee for identification of payment.
2. **Name and Address of Payee's Bank and Account No. :** Indicate full name and address of the Payee's bank, which may include a banker/branch designation. Account number is important. Give SWIFT code if Payee's bank is a member of SWIFT.
3. **Correspondent Bank:** Where payment is to be made to a bank not located in the country of the currency to be paid, indicate its full name and address. Provide SWIFT code if the bank is a member of SWIFT.
4. **Special Payment Instructions:** Indicate any particulars, special instructions or references to facilitate payment or identification of payment.
5. **Name of Borrower:** Fill in name as it appears in the Loan Agreement.
6. **Authorized Representative(s):** Pass this application only to Authorized Representative(s) for signature. Verify if the list of Authorized Representative(s) has been changed.

SAMPLE AUDIT LETTER¹**ASIAN DEVELOPMENT BANK**

Regional Department
Sector Division/Regional or Resident Mission

[Date]

[The Borrower]
Dear Sir/Madam:

**Subject: Accelerating Infrastructure Investment Facility in India
Financial Reporting and Auditing Requirements**

1. This letter is to ensure your timely compliance with the loan covenants and the quality of financial information as required by ADB. ADB's *Handbook for Borrowers on the Financial Governance and Management of Investment Facilities Financed by the ADB* (the Booklet) is enclosed to guide you.

2. ADB, by its Charter, is required to ensure that the proceeds of any loan made, guaranteed, or participated in by ADB are used for the purposes in which the loan was approved. ADB requires accurate and timely financial information from its borrowers to be assured that expenditure was for the purposes stated in the loan agreement.

3. For this particular facility, the requirements are stipulated in sections _____ and _____ of the loan agreement of _____ between ADB and IIFCL and sections _____ and _____ of the facility agreement of _____ between ADB and IIFCL. Copies of the loan/facility agreements are enclosed for onward transmission by your office to your EA and the auditor(s), together with a copy of this letter.

4. The following are the main requirements:

ADB requires IIFCL to maintain separate accounts and records related to the facility to ensure that the loan funds were used only for the objectives set out in the loan or facility agreements.

The first audited 'Statement of Subprojects' to be submitted to ADB covers the fiscal year ending _____. As stipulated in the loan or facility agreements, they are to be submitted up to six months after the end of the fiscal year. For this loan, the deadline is by _____. A sample report format, with explanatory notes, is attached as Annex A.

The accounts and records for the facility are to be consistently maintained by using sound accounting principles. Please stipulate that your external auditor is to express an opinion on whether the financial report has been prepared using international or local generally accepted accounting standards and whether they have been applied consistently.

Please ensure that your external auditor specifies in the auditor's report the appropriate auditing standards they used and direct them to expand the scope of the paragraph in the auditor's report by disclosing the key audit procedures followed.

¹ Applies only to tranche 1. See tranche 3's Project Administration Manual for applicable information.

ADB prefers that auditors conform to the international auditing standards issued by the International Federation of Accountants. In cases where other auditing standards are used, request that your external auditor to indicate in the auditor's report the extent of any differences and their impact on the audit. The external auditor should give his opinion whether or not the Statement of Subprojects presents fairly, in all material respects, subprojects funded by ADB.

The external auditor's opinion is also required on whether:

- the proceeds of ADB's loan have been utilized only for the facility as stated in the loan agreement;
- the financial information contains data specifically agreed upon between [name of the Borrower or EA] and ADB to be included in the financial statements;
- the financial information complies with relevant regulations and statutory requirements; and
- compliance has been met with all the financial covenants contained in the loan or facility agreements.

The auditor's report is to clearly state the reasons for any opinions that are qualified, adverse, or disclaimers.

The audit report should also be accompanied by an Audit Management Letter (which sets out any deficiencies in the internal controls that govern the facility and that were identified in the course of the audit, if any).

Actions on deficiencies disclosed by the external auditor in its report are to be resolved by IIFCL within a reasonable time. The external auditor is to comment in the subsequent auditor's report on the adequacy of the corrective measures taken by IIFCL.

Compliance with these ADB requirements will be monitored by review missions and during normal facility supervision, and followed up regularly with all concerned, including the external auditor.

Yours sincerely,

Director/Country Director
(Sector Division/Regional or Resident Mission)

cc: IIFCL
(External auditor of the Borrower or EA)

FRYS Associates
(Chartered Accountants)

CA

607, A.I. Chambers, 855/46, Preeti Lal Road,
Vidya Bagh, Kirti Bldg, New Delhi - 110008
Tel: 41548121, 999108906, 760806500

ANNEXURE - I to Certificate No. 721 Dt. 30.09.2012

Details of sub-projects Approved & reimbursement received from ADB under Loan No.2404 & 2509 (IIPFF-1) As on 31.03.2012

| S No. | Project Name | Project cost (Rs.) | Loan sanctioned by IIPFF (Rs) | ADB Commitment (Rs) | Amount Received (Rs) | Amount Received (\$) | Balance (Rs) |
|-------|--|--------------------|-------------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| 1 | L&T Western Andhra Tollways Pvt. Ltd. | 373.53 | 400,000,000 | 123,850,256 | 123,950,256 | 2,587,999.79 | - |
| 2 | Tiruchy Tollways Ltd. | 747.50 | 559,200,000 | 559,192,000 | 559,192,000 | 12,865,905.69 | - |
| 3 | GMR Ulunderpet Expressways Pvt. Ltd. | 799.00 | 769,900,000 | 769,900,000 | 769,900,000 | 18,111,075.44 | - |
| 4 | MVR Infrastructure and Tollways Ltd. | 256.30 | 500,000,000 | 403,706,000 | 403,706,000 | 8,827,241.34 | - |
| 5 | Indu Navayuga Infra Projects Pvt. Ltd. | 411.00 | 500,000,000 | 500,000,000 | 500,000,000 | 11,279,119.74 | - |
| 6 | L&T Vadodra Bharuch Tollways Ltd. | 1459.00 | 1,000,000,000 | 654,870,890 | 654,870,890 | 14,571,461.38 | - |
| 7 | Oriental Pathways (Indore) Pvt. Ltd. | 850.00 | 1,300,000,000 | 1,300,000,000 | 1,262,813,580 | 27,643,740.30 | 37,186,420 |
| 8 | Rajpur Expressways Ltd. | 286.00 | 400,000,000 | 350,000,000 | 337,706,000 | 6,628,623.79 | 12,300,000 |
| 9 | Oriental Pathways (Nagpur) Pvt Ltd | 317.84 | 500,000,000 | 500,000,000 | 500,000,000 | 11,836,718.72 | - |
| 10 | Lucknow Sitapur Expressways Pvt. Ltd. | 450.41 | 470,600,000 | 470,600,000 | 454,600,000 | 9,695,925.68 | 15,400,000 |
| 11 | Oriental Pathways (Agra) Pvt. Ltd. | 224.00 | 300,000,000 | 300,000,000 | 300,000,000 | 6,841,719.45 | - |
| 12 | Ahmedabad Ring Road Infrastructure Ltd. | 514.96 | 500,000,000 | 492,900,000 | 492,900,000 | 11,930,445.63 | - |
| 13 | Kumarpallyam Tollways Ltd. | 421.00 | 480,000,000 | 305,037,420 | 304,990,143 | 6,257,112.65 | 47,277 |
| 14 | Salem Tollways Ltd. | 501.00 | 330,000,000 | 211,126,010 | 211,125,010 | 4,478,532.34 | 1,000 |
| 15 | DS Toll Road Ltd. | 415.00 | 750,000,000 | 491,150,636 | 491,150,636 | 10,467,989.52 | - |
| 16 | NK Toll Road Ltd. | 344.76 | 300,000,000 | 216,013,041 | 216,013,041 | 4,550,054.63 | - |
| 17 | L & T Interstate Road Corridor Ltd. | 593.76 | 1,000,000,000 | 928,000,000 | 859,224,892 | 16,423,299.68 | 66,775,138 |
| 18 | Delhi International Airport Ltd. | 8690.00 | 5,000,000,000 | 2,800,000,000 | 2,800,000,000 | 57,595,899.26 | - |
| 19 | Madurai Tuticorin Expressways Ltd. | 920.00 | 1,500,000,000 | 1,148,900,000 | 1,146,100,000.00 | 23,867,343.35 | 2,600,000 |
| 20 | Ashoka Highways (Bhandra) Ltd. | 535.00 | 900,000,000 | 600,000,000 | 647,900,000.00 | 17,654,118.71 | 52,100,000 |
| 21 | Ashoka Highways (Durg) Ltd. | 580.00 | 950,000,000 | 950,000,000 | 918,863,047.00 | 19,733,659.17 | 31,136,953 |
| 22 | SU Toll Road Ltd. | 1061.00 | 1,200,000,000 | 1,200,000,000 | 1,046,300,000.00 | 22,588,307.02 | 153,700,000 |
| 23 | TK Toll Road Ltd. | 731.84 | 900,000,000 | 900,000,000 | 826,100,000.00 | 18,015,191.22 | 73,900,000 |
| 24 | TD Toll Road Ltd. | 537.32 | 750,000,000 | 750,000,000 | 715,000,000.00 | 15,365,470.26 | 35,000,000 |
| 25 | Mumbai International Airport Ltd. | 5825.80 | 3,480,000,000 | 2,863,100,000 | 1,824,949,760 | 39,607,594.61 | 1,038,150,240 |
| 26 | Nimal BOT | 318.00 | 600,000,000 | 600,000,000 | 600,000,000 | 12,886,148.42 | - |
| 27 | West Haryana Highway Projects Pvt.Ltd. | 586.05 | 1,010,000,000 | 1,010,000,000 | 881,560,000 | 19,191,367.00 | 128,440,000 |
| 28 | Jaisri-Nayagson Toll Road Co. | 843.00 | 1,200,000,000 | 1,200,000,000 | 1,115,444,023 | 24,584,153.15 | 84,555,977 |
| 29 | Western MP Infrastructure Toll Roads Pvt. Ltd. | 728.57 | 1,400,000,000 | 1,400,000,000 | 1,400,000,000 | 38,109,148.87 | - |
| 30 | Gwalior Bypass Project Pvt.Ltd. | 332.12 | 650,000,000 | 560,056,250 | 518,596,333 | 11,504,736.19 | 40,459,917 |
| | TOTAL - 'A' | 30,600.62 | 29,609,100,000 | 24,857,902,303 | 23,083,949,381 | 499,989,999.98 | 1,773,952,922 |



PRYD & Associates
(Chartered Accountants)



497, A.F. Chambers, 903-904, Preeti La Road,
Indraprastha, New Delhi - 110006
Tel: 41846122, 999710868, 750909600

ANNEXURE - I to Certificate No. 221 Dt. 30.08.2012

Details of sub-projects Approved & reimbursement received from ADB under Loan No.2586-IND (IIPFF-II) As on 31.03.2012

| S No. | Project Name | Project cost (Rs. Crores) | Loan sanctioned by IIFCL (Rs) | ADB Commitment (Rs) | Amount Received (Rs) | Amount Received (\$) | Balance (Rs) |
|-------|---------------------------------------|---------------------------|-------------------------------|--------------------------|-------------------------|-----------------------|--------------------------|
| 1 | SEW Navayuga Sarani T. Kanya Pvt Ltd. | 752.00 | 1,200,000,000 | 1,200,000,000 | 1,148,100,000 | 25,406,695.43 | 50,900,000 |
| 2 | Coastal Gujarat Power Ltd. | 17024.00 | 18,000,000,000 | 15,337,000,000 | 8,080,500,000 | 135,329,318.94 | 9,246,500,000 |
| 3 | Himalayan Expressways Ltd. | 475.00 | 690,000,000 | 690,000,000 | 600,800,000 | 11,042,998.90 | 189,200,000 |
| 4 | Badarpur Faridabad Tollway Ltd. | 572.00 | 680,000,000 | 660,000,000 | 669,777,947 | 14,769,083.73 | 10,222,053 |
| 5 | Jaypee Infratech Ltd. | 9739.29 | 5,250,000,000 | 2,931,000,000 | 1,091,946,639 | 23,451,203.00 | 1,839,053,361 |
| | TOTAL - 'B' | 28,692.29 | 25,820,000,000.00 | 20,838,000,000.00 | 9,502,124,586.00 | 210,000,000.00 | 11,335,875,414.00 |

Details of sub-projects Approved & reimbursement received from ADB under Loan No.2717-IND (IIPFF-II) As on 31.03.2012

| S No. | Project Name | Project cost (Rs. Crores) | Loan sanctioned by IIFCL (Rs) | ADB Commitment (Rs) | Amount Received (Rs) | Amount Received (\$) | Balance (Rs) |
|-------|--|---------------------------|-------------------------------|--------------------------|--------------------------|-----------------------|--------------------------|
| 1 | Pune Solapur Expressways (P) Ltd. | 1371.00 | 1,000,000,000 | 994,786,000 | 577,696,000 | 12,444,531.49 | 417,090,000 |
| 2 | Soma Isotux Kishangarh Beawar Tollway P Ltd. | 1304.64 | 1,500,000,000 | 1,500,000,000 | 1,136,300,000 | 24,395,706.72 | 363,700,000 |
| 3 | Jaypee Infratech Ltd. | 9739.29 | 5,250,000,000 | 1,838,100,000 | 1,838,069,103 | 39,802,546.70 | 40,897 |
| 4 | Badarpur Faridabad Tollway Ltd. | 572.00 | 680,000,000 | 10,222,053 | 10,222,053 | 221,496.27 | - |
| 5 | Coastal Gujarat Power Ltd. | 17024.00 | 18,000,000,000 | 9,246,500,000 | 2,085,000,000 | 42,210,432.06 | 7,158,500,000 |
| 6 | SEW Navayuga Sarani Tollways Pvt Ltd. | 752.00 | 1,200,000,000 | 50,900,000 | 13,800,000 | 280,373.83 | 37,100,000 |
| 7 | Dhule Palesner Tollway Ltd. | 1420.00 | 1,200,000,000 | 779,718,311 | 458,836,288 | 8,709,308.91 | 320,882,023 |
| 8 | Soma Isotux Surat Hazira Tollway Ltd. | 2418.85 | 2,200,000,000 | 1,650,000,000 | 462,000,000 | 8,883,790.26 | 1,168,000,000 |
| 9 | L & T Halol Shamli Tollway Pvt Ltd. | 1305.00 | 1,250,000,000 | 726,000,000 | 343,100,000 | 6,677,096.50 | 382,900,000 |
| | TOTAL - 'C' | 35,936.58 | 32,280,000,000.00 | 16,796,228,364.00 | 6,928,013,444.00 | 142,715,342.74 | 9,868,212,920.00 |
| | GRAND TOTAL - 'A+B+C' | 64,628.87 | 58,100,000,000.00 | 37,634,228,364.00 | 16,430,138,030.00 | 352,715,342.72 | 21,204,088,334.00 |

Place: New Delhi
Date: 30.08.2012

For PRYD & Associates
(Chartered Accountants)

FRN: 011626N


Devendra Kumar
FCA Partner
M. No. - 500282

PRO FORMA PROJECT PROGRESS REPORT¹

Introduction and Basic Date

Provide the following:

ADB loan number, project title, borrower, executing agency(ies), implementing agency(ies);
Total estimated project cost and financing plan;
Status of project financing including availability of counterpart funds and cofinancing;
Dates of approval, signing, and effectiveness of ADB loan;
Original and revised (if applicable) ADB loan closing date and elapsed loan period based on original and revised (if applicable) loan closing dates; and
Date of last ADB review mission.

Utilization of Funds (ADB loan, cofinancing, and counterpart funds)

Provide the following:

Cumulative contract awards financed by the ADB loan, cofinancing, and counterpart funds (commitment of funds to date), and comparison with time-bound projections (targets);
Cumulative disbursements from the ADB loan, cofinancing, and counter funds (expenditure to date), and comparison with time-bound projections (targets); and
Re-estimated costs to completion, need for reallocation within ADB loan categories, and whether an overall project cost overrun is likely.

Project Purpose

Provide the following:

Status of project scope/implementation arrangements compared with those in the report and recommendation of the President (RRP), and whether major changes have occurred or will need to be made;
An assessment of the likelihood that the immediate development objectives (project purpose) will be met in part or in full, and whether remedial measures are required based on the current project scope and implementation arrangements;
An assessment of changes to the key assumptions and risks that affect attainment of the development objectives; and
Other project developments, including monitoring and reporting on environmental and social requirements that might adversely affect the project's viability or accomplishment of immediate objectives.

Implementation Progress

Provide the following.

Assessment of project implementation arrangements such as establishment, staffing, and funding of the PMU;
Information relating to other aspects of the executing agency's internal operations that may impact on the implementation arrangements or project progress;
Progress or achievements in implementation since the last progress report;
Assessment of the progress of each project component, such as:
Recruitment of consultants and their performance;

¹ Applies only to tranche 1. See tranche 3's Project Administration Manual for updated form.

Procurement of goods and works (from preparation of detailed designs and bidding documents to contract awards); and

The performance of suppliers, manufacturers, and contractors for goods and works contracts.

Assessment of progress in implementing the overall project to date in comparison with the original implementation schedule—quantifiable and monitorable targets, (include simple charts such as bar or milestone to illustrate progress, a chart showing actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules and budgets, the reference framework or guidelines in calculating the project progress; and

An assessment of the validity of key assumptions and risks in achieving the quantifiable implementation targets.

Compliance with Covenants

Provide the following.

The Borrower's compliance with policy loan covenants such as sector reform initiatives and executing agency (EA) reforms and the reasons for any noncompliance or delay in compliance;

The Borrower's and EA's compliance with financial loan covenants including the EA's financial management and the provision of audited project accounts or audited agency financial statements; and

The Borrower's and EA's compliance with project-specific loan covenants associated with implementation, environment, and social dimensions.

Major Project Issues and Problems

Summarize the major problems and issues affecting or likely to affect implementation progress, compliance with covenants, and achievement of immediate development objectives. Recommend actions to overcome these problems and issues (e.g., changes in scope, changes in implementation arrangements, and reallocation of loan proceeds).