

Environment and Social Safeguards Monitoring Report

July 2020

Environment and Social Safeguards Performance Reports 2018

INDIA: Accelerating Infrastructure Investment Facility in India

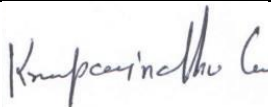


Prepared by India Infrastructure Finance Company Limited for the India Infrastructure Finance Company Limited and the Asian Development Bank

This environment and social safeguards monitoring report 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.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)¹. This format is only for guidance and could be improved.

| | | |
|---|---|---|
| Name of Organization | India Infrastructure Finance Company Limited (IIFCL) | |
| Name of Sub-project | Development, maintenance and management of the State Highway No.05A including four laning from Ch.0.000 to Ch. 64.000 & from Ch. 97.000 to Ch. 115.000 and six laning from Ch. 64.000 to Ch. 97.000 of Varanasi - Shaktinagar section of NH-05A in the state of Uttar Pradesh through Public Private Partnership (the PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. | |
| Name of Sub-project Developer | ACP Tollways Private Limited | |
| Reporting Period | From January to December 2018 | |
| Audit Activity | Name & Designation | Signature |
| Prepared by | Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) |  |
| | Dr. Rashmi Kadian Assistant General Manager (Environment Specialist) |  |
| Reviewed & approved by Senior Staff with overall responsibility for ESMS implementation | Dr S. S. Garg General Manager & Head, ESMU |  |

A. Environmental and Social Management System (ESMS)

| | Policies & Processes | Yes/No | |
|----|--|---------------|--|
| 1. | Has your organization developed and implemented an ESMS? | Yes | ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website: http://www.iifcl.co.in/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.) |
| 2. | If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period? | Yes | Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above. |

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

| | | | (If yes, please provide a copy of the updates including dates and reasons for the same.) | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3. | Has senior management signed off on the updated policy/ procedure? | Yes | <p>The ESSF 2016 has been approved by IIFCL Board on 23rd February 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Has your organization appointed staff tasked to implement the ESMS? | Yes | <p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently one full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on December 2018 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) & Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001</td><td>24 yrs</td></tr><tr><td>2.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>16 yrs</td></tr><tr><td>3.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>17 yrs</td></tr><tr><td>4.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>17 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education backgroud) to implment the ESMS.)</p> | Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs |
| Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Please give details of any transactions rejected due to environmental and/or social concerns. | Yes | No such incident has been reported during January-December 2018 | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 6. | Please state any difficulties and/or constraints related to the implementation of the ESMS. | <p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, European Investment Bank and Japan International Cooperation Agency) under lines of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically.</p> |
| 7. | Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements. | <p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p> |
| 8. | Please give details of any material social and environmental issues associated with clients during the reporting period in particular. | <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically. No such environmental and social issues are associated with the subproject during the reporting period.</p> |

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| 9. | In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization? | | Presently, existing ESMU is functional. (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.) |
| | Capacity | <i>Yes/ No</i> | |
| 10. | Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS. | Yes | Dr S S Garg, General Manager & Head ESMU has the overall responsibility for the implementation of ESSF. His contact information are provided below: Email : ss.garg@iifcl.org Phone : +91 11 24662601 |
| 11. | Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation. | Yes | Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. (Please describe the training provided to the ESMS persons and other team members during the year.) |
| 12. | What was the budget allocated to the ESMS and its implementation during the year? | Yes | ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's budget. (Please provide budget details including staff costs and training as well as any actual costs.) |
| | Monitoring | | |
| 13. | Do you receive environmental and social monitoring reports from Lead Banks/Borrowers? | Yes | The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.) |
| 14. | Do you check for ongoing compliance of your clients with national regulation and any other requirements? | Yes | During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification. (If yes, please describe the process including any social and environmental considerations if applicable.) |
| 15. | Please describe how you monitor the clients and their invesetments' social and environmental performance. | | All the subprojects are invariably visited at the time of ESDDR preparation. Further, for audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore, for audit purpose only limited projects were visited. |

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| | | | <p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>For the sub-projects approved under AIIFI Line of Credit, the safeguards audit reports have been prepared based on desk review of safeguards compliance information/records related to project and discussions with project developer team. The projects for which safeguards audit reports are being submitted have achieved COD and there are no pending safeguard issues at the projects.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p> |
| 16. | <p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance | | The project specific details are provided in Section 'C'. |
| | Reporting | | |
| 17. | Is there an internal process to report on social and environmental issues to Senior management? | Yes | <p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p> |
| 18. | <p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> - For other multilateral agencies - Other stakeholders - E&S reporting in the Annual Report | Yes | ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10. |

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| - Sustainability reports | | <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is http://www.iifcl.org/Content/report.aspx?mid=17&bid=2&cid=1</p> <p>(If yes, please provide copies of these reports.)</p> |
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B. Activities on DFI's Prohibited Investment Activities List

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| 1. | If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009). | Not applicable, since, IIFCL does not involve in the prohibited investment activities. |
| 2. | If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure. | Not applicable |

C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

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| 1. | Name of Subproject: | <p>Sub-project Developer: ACP Tollways Private Limited</p> <p>Sub-project: Development, maintenance and management of the State Highway No.05A including four laning from Ch.0.000 to Ch. 64.000 & from Ch. 97.000 to Ch. 115.000 and six laning from Ch. 64.000 to Ch. 97.000 of Varanasi - Shaktinagar section of NH-05A in the state of Uttar Pradesh through Public Private Partnership (the PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) basis.</p> |
| 2. | Location: | Varanasi-Shaktinagar road up to Hathinala (SH-5A) in the State of Uttar Pradesh |
| 3. | Sector: | Highways and Roads |
| 4. | Total loan from IIFCL/DFI (US\$ MN): | 37.53 US \$ MN |
| 5. | Safeguard category: (Annex E-3) | <p>Environment Category: B</p> <p>No Indigenous People are involved in this project:Category-C</p> <p>No Rehabilitation and resettlement are involved in this project: Category-C</p> <p>Further, this project is up gradation and maintenance of existing Chainage of 2/4/6 lane. Moreover, land acquisition was initiated prior to IIFCL's involvement after the Gazette Notification was published.</p> <p>As documented in the ESDDR no Indigenous people were involved in the project.</p> <p>Land acquisition process was initiated prior to IIFCL's involvement and not in anticipation of ADB financing and that IIFCL was not involved in the rehabilitation and resettlement activities.</p> |

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| 6. | Were any environmental and social due diligence undertaken by your organization? | <p>Environmental & Social Due-Diligence for ACP Tollways Pvt. Ltd. was undertaken by ESMU for which desk review of safeguards related documents was carried out along with field verification done during site visit conducted on 13th to 14th of August, 2013 by ESMU team.</p> <p>Site visit was also conducted for safeguards compliance check by ESMU Staff during 28-29th May 2015.</p> <p>Further, review of safeguard related information was also done for the period January – December 2018 for annual audit purpose.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p> |
| 7. | Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization? | <p><u>Environmental Safeguard:</u></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. As per observation of State Level Environment Impact Assessment Authority, Uttar Pradesh State, this sub-project does not come under the purview of EIA Notification, 2006, as amended in April 2011. Therefore, no EIA was prepared for the sub-project. However, an EMP was prepared and implemented at the sub-project.</p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> • Environmental Management Plan • Project Statutory consent/ approvals and permits • Project HSE Documents • EPC Contract Documents • Concession Agreement • Project Information Memorandum • Lenders Independent Engineer reports <p>Social Safeguard</p> <ul style="list-style-type: none"> • Project Information Memorandum; • Concession Agreement; • Engineering Procurement and Construction Agreement; • Lender's Independent Engineer's report, December 2014; • Gazette Notification for land acquisition <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM, EIA, Permits & clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>However, for this project land acquisition was carried by Uttar Pradesh State Highway Authority (UPSHA) and compensation is paid by the UPSHA.</p> |

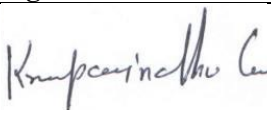
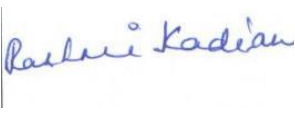

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| | | <p>Further, during the discussion it was informed that no physical displacement was happened because of the project and no indigenous people were affected because of this project.</p> <p>(If yes, please provide the names of documents reviewed.)</p> |
| 8. | <p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p> | <p><u>Environmental Safeguard</u></p> <p>During environmental due-diligence the formal Forest Clearance was pending for the sub-project. Forest Clearance for 129.251 hectare of forest land diverted for the sub-project has been granted by MoEFCC vide letter dated 14th November 2013, which was shared by the Concessionaire with IIFCL. Sub-project has achieved commercial operation with effect from 31st October 2015.</p> <p>The following documents were referred for the purpose of annual audit of the sub-project:</p> <ul style="list-style-type: none"> • Environmental Management Plan implementation • Accident/Incident reports and remedial measures for January-December 2018 • Plantation details • Traffic & road safety measures implementation • Training at the sub-project <p>Following is the observations / outcome of the review of documents / information for annual audit :</p> <ul style="list-style-type: none"> • Developer has confirmed that no major construction activity took place during January to December 2018. All plants were dismantled; all construction machinery and equipment were shifted to other site. • No plant was in operation during the operation period at the sub-project. • Tree cutting has been completed at the project. • Regular water sprinkling is being done to maintain median plantations. • Till date 75648 nos of median and avenue plantations have been done at the sub-project. During the reporting period, 20000 median plantations have been done and 1031 trees have been planted under avenue plantation. Avenue plantation has also been carried out at three tool plazas and camp area since it is not feasible on road sides due to restricted ROW. A total of 1713 nos. of plants have been planted at these locations during the reporting period and maintained. • Route operation team is responsible for traffic diversions, boulder cleaning, signage re-installation. • Crash barriers are installed on all grade separator's/railway over bridge/underpasses. • As part of road safety measures, sign boards, crash barriers, grade separators, road markings, kerb markings, cat eye etc are maintained at the road stretch. Developer has informed that road diversions are |

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| | | <p>being properly maintained with signages on highway.</p> <ul style="list-style-type: none"> • Surveillance and safety programme developed ensuring adequate measures adopted for safe operation of highway and regular trainings are being conducted for all drivers and operators to generate safety awareness. Developer has informed that first aid and ambulance facilities are present at site. • Developer has informed that shoulder vegetation cleaning, km stone cleaning, MCW/ shoulder cleaning etc are done by route operation team to maintain housekeeping on the stretch. Public toilet facilities are also maintained at stretch. <p>There are no environmental issues were identified on review of safeguards documents for reporting period for ACP Tollways Private Limited. The sub-project is under operation since the year 2015 and no environmental safeguard issues are reported.</p> <p>Social Safeguard</p> <ul style="list-style-type: none"> • The land acquisition was completed for the project, which was carried out by Uttar Pradesh State Highway Authority (UPSHA); • No Tribal people are getting affected due to the sub project; • No rehabilitation and resettlement in the project. • UPSHA has prepared this project for its own funding requirement and not in anticipation to ADB's operation, and the compensation was paid for loss of properties as determined by the Competent Authority; • Sub-project has achieved commercial operation with effect from 31st October 2015. <p>There are no pending issues are associated with the sub-project. The project has already achieved COD on 31st October 2015 and is in smooth operation since then, no social safeguards issues are reported.</p> |
| 9. | Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation? | Lenders' Independent Engineers (LIE) appointed by the lead bank submits the progress reports within the consortium as per the agreed frequency. Generally, IIFCL meets the Lenders' in the consortium and discusses regarding the pending issue, if any. |
| 10. | For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website? | <p>ACP Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p> |
| 11. | Were any conditions or covenants related to environmental and social issues made along with the investment? | <p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p> |
| 12. | Does the investment comply with applicable government requirements? | Yes |

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| 13. | Does the investment comply with applicable DFI safeguard requirements? | Yes |
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Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)¹. This format is only for guidance and could be improved.

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| Name of Organization | India Infrastructure Finance Company Limited (IIFCL) | |
| Name of Sub-project | Four Laning of Chattisgarh/ Orissa Border – Aurang Section-from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh to be executed as BOT (Toll) on Design, Built, Operate and Transfer (DBFOT) basis. | |
| Name of Sub-project Developer | BSCPL Aurang Tollways Ltd. | |
| Reporting Period | From January to December 2018 | |
| Audit Activity | Name & Designation | Signature |
| Prepared by | Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) |  |
| | Dr. Rashmi Kadian Assistant General Manager (Environment Specialist) |  |
| Reviewed & approved by Senior Staff with overall responsibility for ESMS implementation | Dr S. S. Garg General Manager & Head, ESMU |  |

A. Environmental and Social Management System (ESMS)

| | Policies & Processes | Yes/ No | |
|----|--|--------------------|--|
| 1. | Has your organization developed and implemented an ESMS? | Yes | ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website: http://www.iifcl.co.in/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.) |
| 2. | If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period? | Yes | Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above. (If yes, please provide a copy of the updates including dates |

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| | | | and reasons for the same.) | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3. | Has senior management signed off on the updated policy/ procedure? | Yes | <p>The ESSF 2016 has been approved by IIFCL Board on 23rd February 2016.</p> <p>(If yes, please provide the date and internal communication indicating the same.)</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Has your organization appointed staff tasked to implement the ESMS? | Yes | <p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently one full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on December 2018 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) & Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001</td><td>24 yrs</td></tr><tr><td>2.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>16 yrs</td></tr><tr><td>3.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>17 yrs</td></tr><tr><td>4.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>17 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p> | Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs |
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| 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Please give details of any transactions rejected due to environmetnal and/or social concerns. | Yes | No such incident has been reported during January-December 2018 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Please state any difficulties and/or constraints related to the implementation of the ESMS. | | One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, European Investment Bank and | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | <p>Japan International Cooperation Agency) under lines of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically.</p> |
| 7. | Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements. | <p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p> |
| 8. | Please give details of any material social and environmental issues associated with clients during the reporting period in particular. | <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically. No such environmental and social issues are associated with the subproject during the reporting period.</p> |
| 9. | In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization? | <p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its</p> |

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| | | | implementation.) |
| | Capacity | <i>Yes/ No</i> | |
| 10. | Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS. | Yes | Dr S S Garg, General Manager & Head ESMU has the overall responsibility for the implementation of ESSF. His contact information are provided below: Email : ss.garg@iifcl.org Phone : +91 11 24662601 |
| 11. | Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation. | Yes | Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. (Please describe the training provided to the ESMS persons and other team members during the year.) |
| 12. | What was the budget allocated to the ESMS and its implementation during the year? | Yes | ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget. (Please provide budget details including staff costs and training as well as any actual costs.) |
| | Monitoring | | |
| 13. | Do you receive environmental and social monitoring reports from Lead Banks/Borrowers? | Yes | The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.) |
| 14. | Do you check for ongoing compliance of your clients with national regulation and any other requirements? | Yes | During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification. (If yes, please describe the process including any social and environmental considerations if applicable.) |
| 15. | Please describe how you monitor the clients and their investments' social and environmental performance. | | All the subprojects are invariably visited at the time of ESDDR preparation. Further, for audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore, for audit purpose only limited projects were visited. The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance |

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| | | | <p>against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>For the sub-projects approved under AIIFI Line of Credit, the safeguards audit reports have been prepared based on desk review of safeguards compliance information/records related to project and discussions with project developer team. The projects for which safeguards audit reports are being submitted have achieved COD and there are no pending safeguard issues at the projects.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p> |
| 16. | <p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance | | The project specific details are provided in Section 'C'. |
| | Reporting | | |
| 17. | Is there an internal process to report on social and environmental issues to Senior management? | Yes | <p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p> |
| 18. | <p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> - For other multilateral agencies - Other stakeholders - E&S reporting in the Annual Report - Sustainability reports | Yes | <p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is http://www.iifcl.org/Content/report.aspx?mid=17&bid=2&cid=1</p> |

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| | | (If yes, please provide copies of these reports.) |
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B. Activities on DFI's Prohibited Investment Activities List

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| 1. | If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009). | Not applicable, since, IIFCL does not involve in the prohibited investment activities. |
| 2. | If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure. | Not applicable |

C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

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| 1. | Name of Subproject: | Sub-project Developer: BSCPL Aurang Tollways Ltd. Sub-project: Four Laning of Chattisgarh/ Orissa Border – Aurang Section-from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh to be executed as BOT (Toll) on Design, Built, Operate and Transfer (DBFOT) basis. |
| 2. | Location: | Chattisgarh/ Orissa Border – Aurang Section from km 88.000 to km 239.000 of NH- 6 (53) in the State Chattisgarh. |
| 3. | Sector: | Highways and Roads |
| 4. | Total loan from IIFCL/DFI (US\$ MN): | 26.22 US \$ MN |
| 5. | Safeguard category: (Annex E-3) | Environment Category: B No Indigenous People are involved in this project: Category-C No Rehabilitation and resettlement are involved in this project: Category-C |
| 6. | Were any environmental and social due diligence undertaken by your organization? | Environmental & Social Due-Diligence for BSCPL Aurang Tollways Pvt. Ltd. was undertaken by ESMU for which desk review of safeguard related documents was carried out along with facts verification done during site visit conducted on 6 th – 7 th August, 2013 by ESMU team. Site visit was also conducted for safeguards compliance check by ESMU, IIFCL during 13 th -14 th April, 2015. Review of safeguard related information was done for the period January-December 2018 for annual audit purpose. (If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.) |
| 7. | Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports | <u>Environmental Safeguard:</u> The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents |


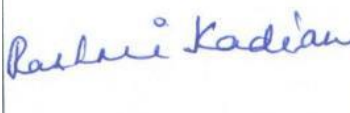

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| reviewed by your organization? | <p>provided by the Concessionaire.</p> <p><u>Environmental Safeguard:</u></p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> • Environmental Impact Assessment Report; • Environmental Management Plan & its implementation; • Project Statutory clearances/consent/ approvals and permits; • Feasibility Report; • Project HSE Documents; • Concession Agreement; • RoW hand over letter from NHAI; • EPC Contract Documents; • Lenders Independent Engineer reports • Project Information Memorandum; <p><u>Social Safeguard</u></p> <ul style="list-style-type: none"> • The sub-project has been prepared by NHAI as per its own funding requirement and not anticipation to ADB operation; • Land acquisition process was initiated prior to IIFCL's involvement and not in anticipation of ADB financing and that IIFCL was not involved in the rehabilitation and resettlement activities. • Land acquisition is being done by NHAI as per the applicable policy of NHAI Act-1956; • To ensure the safeguard compliance, following documents were reviewed by ESMU; • Environment Impact Assessment Report (EIA); • Feasibility Report; • RoW hand over letter from NHAI; • Notification for Public Hearings. • Project Information Memorandum (PIM); <p>Since this project is road widening and up gradation of existing change of 2/4 laning, so no project specific IR/IP was prepared. However, a separate EIA and PIM were prepared.</p> <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM, EIA, Permits & clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>However, PIM, Feasibility Report, EIA, Consents & approvals, Proceedings of public hearings, News Paper publication for public hearings, HSE & Road safety Plan, RoW hand over letter, same copy</p> |
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| | | <p>of cheque relating to payment of compensation, EC, Tree cutting permission, Forest Clearance, LIE report, etc. are available for this project.</p> <p>(If yes, please provide the names of documents reviewed.)</p> |
| 8. | <p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p> | <p>Environmental Safeguard</p> <p>BSCPL Aurang Tollways Pvt. Ltd. does not have any environmental issue associated with it. The project has achieved provisional COD on 6th May 2016.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> • Environmental Statement (Form V) for the financial year 2018-19; • Environmental Audit Report (September 2018) covering statutory compliance audit, debris disposal audit, avenue and median plantation etc.; • Rehabilitation status of borrow areas • Project Environmental Monitoring Report covering Air, water and noise monitoring (October 2017) and Monitoring reports for September 2018 • Accident/incident report for January – December 2018 • Consents from Pollution Control Board <p>Based on the documents received from the Concessionaire for the reporting period, it can be stated that:</p> <ul style="list-style-type: none"> • The Concessionaire has obtained the relevant permits/approvals for the sub-project and renewed the consents as per requirement. • The Environmental Audit report states that this is the final environmental audit report. The third party consultant who conducted the environmental audit confirms that the sub-project has no environmental issues. All stretched are well maintained and environmental norms have been fulfilled. Status of all environment related compliances are provided in the audit report, which is found to be satisfactory. Environmental conditions along the highway are found to be satisfactory. • The environmental monitoring is being done at sub-project on periodic basis and the monitoring results are within the prescribed limits of regulatory norms. • There was no tree cutting during the reporting period as it was already complete. Avenue and median plantation was also completed before the reporting period. However, developer has confirmed that 3830 number of plantations are done as part of Avenue plantation and 7662 saplings were planted towards median plantations during the reporting period. The third party environment audit report mentions that the survival rate of saplings is about 90%. • Developer has confirmed that required traffic and safety measures are provided during course of work execution. • Borrow areas are closed and are rehabilitated. Rehabilitation |

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| | | <p>report on closed borrow areas is maintained by the sub-project.</p> <ul style="list-style-type: none"> Regular sprinkling of water has been carried out in dust prone area i.e. haul roads, borrow areas. <p>On review of safeguards related documents/reports for the reporting period it can be concluded that there are no environmental issues at the sub-project. The environmental audit report has also concluded that the sub-project has no environmental issues and it is the final audit report.</p> <p>Social Safeguard:</p> <ul style="list-style-type: none"> No Rehabilitation and Resettlement in the project. No Indiginioous perople are affected The sub-project has been prepared by NHAI as per its own funding requirement and not anticipation to ADB operation; The project does not involve any physical or economic displacement due to land acquisition or restriction of land use. <p>The project has achieved COD on May 2016, it seems that the project do not have any social issue associated with it.</p> |
| 9. | Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation? | Lenders' Independent Engineers (LIE) appointed by the lead bank is submitting reports within the consortium as per the agreed frequency. Generally, IIFCL meets the Lenders' in the consortium and discuss regarding the pending issue, if any. |
| 10. | For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website? | <p>BSCPL Aurang Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirement.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p> |
| 11. | Were any conditions or covenants related to environmental and social issues made along with the investment? | <p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p> |
| 12. | Does the investment comply with applicable government requirements? | Yes |
| 13. | Does the investment comply with applicable DFI safeguard requirements? | Yes |

**FANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT
FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-1)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)¹. This format is only for guidance and could be improved.

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| Name of Organization | India Infrastructure Finance Company Limited (IIFCL), New Delhi | |
| Name of Sub-project | Development and Operation of NH-79 on Chittorgarh-Neemach (MP Border) Section (Km183.000 to Km 221.400) by Four Laning and Nimbahera-Partapgarh Section (Km 5.400 to Km 80.000) of NH-113 by Two Laning in the State of Rajasthan through Public-Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) basis Under NHDP-IVB | |
| Name of Sub-project Developer | Chetak Tollways Ltd. | |
| Reporting Period | From January to December 2018 | |
| Audit Activity | Name & Designation | Signature |
| Prepared by | Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) |  |
| | Dr. Rashmi Kadian Assistant General Manager (Environment Specialist) ESMU, IIFCL |  |
| Reviewed By & Approved by Senior Staff with overall responsibility for ESMS implementation | Dr S. S. Garg General Manager & Head, ESMU |  |

A. Environmental and Social Management System (ESMS)

| Sr. No. | Policies & Processes | Yes/No | |
|----------------|---|---------------|--|
| 1. | Has your organization developed and implemented an ESMS? | Yes | ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website: http://www.iifcl.co.in/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.) |
| 2. | If there is an ESMS already in place, have there been any updates | Yes | Based on ESMU's operational experience & current practices, ESSF has been further revised which is in |

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

| | to the ESMS or policy and procedures adopted by your organization during the reporting period? | | alignment with Govt. of India Guidelines/Regulations. During February 2016, latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above. (If yes, please provide a copy of the updates including dates and reasons for the same.) | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|--|--|--|------------------------------|------------------|-------------|---------------|------------------------------|----|----------------|-----------------------------------|--|--------|----|-------------------|--|-------------------------------------|--------|----|----------------------|---|--|--------|----|-----------------|--|-------------------------------------|--------|
| 3. | Has senior management signed off on the updated policy/ procedure? | Yes | The ESSF 2016 has been approved by IIFCL Board on 23 rd February 2016. (If yes, please provide the date and internal communication indicating the same.) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Has your organization appointed staff tasked to implement the ESMS? | Yes | <p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently one full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on December 2018 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) & Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001</td><td>24 yrs</td></tr><tr><td>2.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>16 yrs</td></tr><tr><td>3.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)-Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>17 yrs</td></tr><tr><td>4.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)-Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>17 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education backgroud) to implment the ESMS.)</p> | Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)-Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)-Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)-Environment Specialist | Doctorate in Environmental Sciences | 17 yrs |
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| 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)-Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
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| 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)-Environment Specialist | Doctorate in Environmental Sciences | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |

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| 5. | Please give details of any transactions rejected due to environmental and/or social concerns. | No | No such incident has been reported during January-December 2018 |
| 6. | Please state any difficulties and/or constraints related to the implementation of the ESMS. | | <p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, European Investment Bank and Japan International Cooperation Agency) under lines of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically.</p> |
| 7. | Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements. | | <p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p> |
| 8. | Please give details of any material social and environmental issues associated with clients during the reporting period in particular. | | The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a |

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| | | | challenging task. IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically. No such environmental and social issues are associated with the subproject during the reporting period. |
| 9. | In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization? | | Presently, existing ESMU is functional. (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.) |
| | Capacity | <i>Yes/No</i> | |
| 10. | Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS. | Yes | Dr S S Garg, General Manager & Head ESMU has the overall responsibility for the implementation of ESSF. His contact information are provided below: Email : ss.garg@iifcl.org Phone : +91 11 24662601 |
| 11. | Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation. | Yes | Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. (Please describe the training provided to the ESMS persons and other team members during the year.) |
| 12. | What was the budget allocated to the ESMS and its implementation during the year? | Yes | ESMU is the core team of IIFCL and requisite budgetory provision is a part of IIFCL's budget. (Please provide budget details including staff costs and training as well as any actual costs.) |
| | Monitoring | | |
| 13. | Do you receive environmental and social monitoring reports from Lead Banks/Borrowers? | Yes | The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.) |
| 14. | Do you check for ongoing compliance of your clients with national regulation and any other requirements? | Yes | During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification. |

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| | | | (If yes, please describe the process including any social and environmental considerations if applicable.) |
| 15. | Please describe how you monitor the clients and their investments social and environmental performance. | | <p>All the subprojects are invariably visited at the time of ESDDR preparation. Further, for audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore, for audit purpose only limited projects were visited.</p> <p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>For the sub-projects approved under AIIFI Line of Credit, the safeguards audit reports have been prepared based on desk review of safeguards compliance information/records related to project and discussions with project developer team. The projects for which safeguards audit reports are being submitted have achieved COD and there are no pending safeguard issues at the projects.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p> |
| 16. | <p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance | | The project specific details are provided in Section 'C'. |
| | Reporting | | |
| 17. | Is there an internal process to report on social and environmental issues to Senior management? | Yes | <p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the</p> |

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| | | | present format. (If yes, please explain the process, reporting format and frequency and actions taken if any.) |
| 18. | Do you prepare any social and environmental reports: - For other multilateral agencies - Other stakeholders - E&S reporting in the Annual Report - Sustainability reports | Yes | ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10. The Annual Reports are uploaded on IIFCL website and weblink for the same is http://www.iifcl.org/Content/report.aspx?mid=17&bid=2&c id=1 (If yes, please provide copies of these reports.) |

| B. Activities on DFI's Prohibited Investment Activities List | | |
|---|---|--|
| 1. | If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to SPS Annexure V). | Not applicable, since, IIFCL does not finance in activities as per prohibited investment list. |
| 2. | If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure. | Not applicable |

C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

| | | |
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| 1. | Name of Sub-project: | Sub-project Developer: Chetak Tollways Ltd. Sub-project: Development and Operation of NH- 79 on Chittorgarh-Neemach (MP Border) Section (Km183.000 to Km 221.400) by Four Laning and Nimbahera-Partapgarh Section (Km 5.400 to Km 80.000) of NH-113 by Two Laning in the State of Rajasthan through Public-Private Partnership on Design, Build, Finance, Operate and Transfer (DBFOT) basis Under NHDP-IVB |
| 2. | Location: | Project Highway NH-79 (four laning) from Chittorgarh to Neemuch (MP Border), starts from km 183+000 and ends at km 221+400 in the State of Rajasthan. Project Highway NH-113 (two laning) from Nimbahera to Pratapgarh Section starts from km 0+000 and ends at km 80+000 in the State of Rajasthan. |
| 3. | Sector: | Highways and Roads |
| 4. | Total loan from IIFCL/DFI (US\$ MN): | 9.74 MN USD |
| 5. | Safeguard category: (Annex E-3) | Environment Impacts: Category B No Indigenous People are involved in this project: Category-C |

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| | | <p>No Rehabilitation and resettlement are involved in this project: Category-C</p> <p>Further, this project is development, operation and maintenance of existing section of 2/4 lane. Moreover, land acquisition was initiated prior to IIFCL's involvement after the Gazette Notification was published.</p> <p>Land acquisition process was initiated prior to IIFCL's involvement and not in anticipation of ADB financing and that IIFCL was not involved in the rehabilitation and resettlement activities.</p> |
| 6. | Were any environmental and social due diligence undertaken by your organization? | <p>Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU team of IIFCL based on the review of information/ Documents/ NOCs/ Consents/ Permissions and field verification during site visit (17th-18th July 2014).</p> <p>To see the environmental, health, safety and social compliance aspects including land acquisition status of the project, IIFCL safeguards team along with ADB Fact finding mission team, again visited the site during 17th - 19th June, 2015.</p> <p>For annual audit purpose, review of safeguard related information has been done for the period of January to December 2018.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p> |
| 7. | Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization? | <p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p>Environment Safeguards:</p> <p>The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared for the project (ii) Project's statutory clearances/consents/ approvals and permits (iii) Environmental Parameters Monitoring reports (iv) Traffic Management Plan for Construction Scenarios (v) Lender Engineer Report (vi) Concession Agreement (vii) EPC Contract Documents; <p>Social Safeguards: To ensure the safeguard compliance, following documents were reviewed by ESMU:</p> |


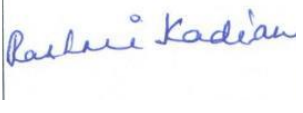
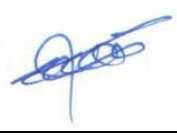
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| | | <ul style="list-style-type: none"> • Feasibility Report of the Project; • EIA/EMP Report; • Details of Public Hearing; • Gazette Notifications regarding Land Acquisition; • Right of Way Hand over letter; • Lender's Independent Engineer's report; • Information pertaining to justification of alignment selection; <p>Generally projects comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Due diligence for a project conducted based on the available documents like PIM EIA, Permits & clearances, Land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>As documented in the ESDDR though no separate Resettlement Action Plan (RAP) has been prepared but a short RAP indicating magnitude of social impact, a separate section had been prepared for this project, which is a part of EIA/EMP report.</p> <p>(If yes, please provide the names of documents reviewed.)</p> |
| 8. | What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)? | <p>Environment Safeguards:</p> <p>During ESDDR preparation, no environmental issues were identified for addressal at the project.</p> <p>The following documents were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> • Six monthly compliance report on conditions of environmental clearance for the period October 2017-March 2018; April-September 2018; October 2018-March 2019 • Air, water, noise monitoring reports for January & June 2018 • Traffic and road safety measures at the project <p>Following are the observations/outcome of the review of documents/information for annual audit:</p> <ul style="list-style-type: none"> • Project achieved provisional COD during August 2015. • Developer has confirmed that there is no road construction activity post August 2015. • Total 6000 nos. of trees have been planted and maintained at the project. • Compliance to all the conditions of environmental |

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| | | <p>clearance has been completed.</p> <ul style="list-style-type: none"> • Air, water, noise and soil monitoring is done at the sub-project on six monthly basis. The monitoring frequency is found to be adequate and the monitoring results are within the prescribed limits of regulatory norms. • Developer has informed that turfing on slopes have been done as soil erosion control measure. • For road safety, IRC Guidelines are strictly adhered to in respect of road signage, service roads, bus bays, inter-sections, pedestrian crossings, medical & traffic aid posts, emergency ambulance & recovery vehicle etc. All required safety signs are available and maintained on project road. <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in Chetak Tollways project. The project is under operation since the year 2015 and no pending environment safeguard are observed during operation phase.</p> <p>Social Safeguards: During the safeguards compliance, it was noted that.</p> <ul style="list-style-type: none"> • Land acquisition process was initiated prior to IIFCL's involvement and not in anticipation of ADB financing. • The project does not involve physical or economic displacement due to land acquisition or restriction of land use. • No Indigenous People are affected due to the project; • No rehabilitation and resettlement in the project. • The project has achieved provisional COD on August 2015, <p>It can be conclude that since the project has achieved PCOD on August 2015 so no major pending social issues are associated with these sub-projects.</p> |
| 9. | Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation? | On periodic basis, Lender's consortium meet take place in which project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any. |
| 10. | For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website? | <p>Chetak Tollways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirement.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p> |

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| 11. | Were any conditions or covenants related to environmental and social issues made along with the investment? | The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire. (If yes, please briefly describe.) |
| 12. | Does the investment comply with applicable government requirements? | Yes |
| 13. | Does the investment comply with applicable DFI safeguard requirements? | Yes |

ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PRR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)¹. This format is only for guidance and could be improved.

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| Name of Organization | India Infrastructure Finance Company Limited (IIFCL), New Delhi | |
| Name of Sub-project | Widening and Improvement of existing 4 lane to 6-lane from Etawah to Chakeri (km. 323.475 to km.483.687) section of NH-2 in the state of Uttar Pradesh under NHDP Phase-V through public, private partnership (PPP) on design and built-finance-operate and Transfer (DBFOT) Toll basis. | |
| Name of Sub-project Developer | Etawah Chakeri (Kanpur) Highways Pvt. Ltd. | |
| Reporting Period | From January to December 2018 | |
| Audit Activity | Name & Designation | Signature |
| Prepared by | Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) |  |
| | Dr. Rashmi Kadian Assistant General Manager (Environment Specialist) |  |
| Reviewed & approved by Senior Staff with overall responsibility for ESMS implementation | Dr S. S. Garg General Manager & Head, ESMU |  |

A. Environmental and Social Management System (ESMS)

| Sr. No. | Policies & Processes | Yes/No | |
|---------|--|--------|--|
| 1. | Has your organization developed and implemented an ESMS? | Yes | ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website: http://www.iifcl.co.in/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.) |
| 2. | If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting | Yes | Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's |

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

Etawah Chakeri (Kanpur) Highways Pvt. Ltd.

| | period? | | during May 2016. Weblink for the same is given above. (If yes, please provide a copy of the updates including dates and reasons for the same.) | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3. | Has senior management signed off on the updated policy/ procedure? | Yes | The ESSF 2016 has been approved by IIFCL Board on 23 rd February 2016. (If yes, please provide the date and internal communication indicating the same.) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Has your organization appointed staff tasked to implement the ESMS? | Yes | <p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently one full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on December 2018 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) & Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001</td><td>24 yrs</td></tr><tr><td>2.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>16 yrs</td></tr><tr><td>3.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>17 yrs</td></tr><tr><td>4.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>17 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education backgroud) to implment the ESMS.)</p> | Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs |
| Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Please give details of any transactions rejected due to environmental and/or social | No | No such incident has been reported during January-December 2018 | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | concerns. | | |
| 6. | Please state any difficulties and/or constraints related to the implementation of the ESMS. | | <p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, European Investment Bank and Japan International Cooperation Agency) under lines of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically.</p> |
| 7. | Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements. | | <p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p> |
| 8. | Please give details of any material social and environmental issues associated with clients during the reporting period in particular. | | <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer</p> |

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| | | | Report, site visits and E&S information sought from the concessionaire periodically. No such environmental and social issues are associated with the subproject during the reporting period. |
| 9. | In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization? | | Presently, existing ESMU is functional. (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.) |
| | Capacity | <i>Yes/No</i> | |
| 10. | Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS. | Yes | Dr S S Garg, General Manager & Head ESMU has the overall responsibility for the implementation of ESSF. His contact information are provided below: Email : ss.garg@iifcl.org Phone : +91 11 24662601 |
| 11. | Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation. | Yes | Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. (Please describe the training provided to the ESMS persons and other team members during the year.) |
| 12. | What was the budget allocated to the ESMS and its implementation during the year? | Yes | ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget. (Please provide budget details including staff costs and training as well as any actual costs.) |
| | Monitoring | | |
| 13. | Do you receive environmental and social monitoring reports from Lead Banks/Borrowers? | Yes | The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.) |
| 14. | Do you check for ongoing compliance of your clients with national regulation and any other requirements? | Yes | During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification. (If yes, please describe the process including any social and environmental considerations if applicable.) |

| | | | |
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| 15. | Please describe how you monitor the clients and their investments social and environmental performance. | | <p>All the subprojects are invariably visited at the time of ESDDR preparation. Further, for audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore, for audit purpose only limited projects were visited.</p> <p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>For the sub-projects approved under AIIFI Line of Credit, the safeguards audit reports have been prepared based on desk review of safeguards compliance information/records related to project and discussions with project developer team. The projects for which safeguards audit reports are being submitted have achieved COD and there are no pending safeguard issues at the projects.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p> |
| 16. | <p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance | | The project specific details are provided in Section 'C'. |
| | Reporting | | |
| 17. | Is there an internal process to report on social and environmental issues to Senior management? | Yes | <p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> |

Etawah Chakeri (Kanpur) Highways Pvt. Ltd.

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| | | | (If yes, please explain the process, reporting format and frequency and actions taken if any.) |
| 18. | Do you prepare any social and environmental reports: <ul style="list-style-type: none"> - For other multilateral agencies - Other stakeholders - E&S reporting in the Annual Report - Sustainability reports | Yes | ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10. The Annual Reports are uploaded on IIFCL website and weblink for the same is http://www.iifcl.org/Content/report.aspx?mid=17&bid=2&cid=1 (If yes, please provide copies of these reports.) |

| B. Activities on DFI's Prohibited Investment Activities List | | |
|---|---|--|
| 1. | If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009). | Not applicable, since, IIFCL does not finance in activities as per prohibited investment list. |
| 2. | If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure. | Not applicable |

C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

| | | |
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| 1. | Name of Subproject: | Sub-project Developer: Etawah Chakeri (Kanpur) Highways Pvt. Ltd. Sub-project: Widening and Improvement of existing 4 lane to 6-lane from Etawah to Chakeri (km. 323.475 to km. 483.687) section of NH-2 in the state of Uttar Pradesh under NHDP Phase-V through public, private partnership (PPP) on design and built-finance-operate and Transfer (DBFOT) Toll basis. |
| 2. | Location: | The Project Highway starts at km 323.475 at the end of Etawah bypass and ends near Chakeri at km 483.687 on the Agra-Etawah-Kanpur-Allahabad Section of NH-2. |
| 3. | Sector: | Highways and Roads |
| 4. | Total loan from IIFCL/DFI (US\$ MN): | 32.63 USD Million |
| 5. | Safeguard category: (Annex E-3) | Environment category: B No Indigenous People are involved in this project: Category-C No Rehabilitation and resettlement are involved in this project. Category-C |

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| | | <p>Further, this project road is Widening and Improvement of existing 4 lane to 6-lane. Moreover, land acquisition was initiated prior to IIFCL's involvement after the Gazette Notification was published.</p> <p>As documented in the ESDDR, the major portion of land acquisition was completed during the time of 4 laning of the project so no substantial resettlement impact of any private structures like; residential, commercial, residential cum commercial structures are being affected due to the 6 laning of the sub-project. Further, it is also confirmed by the concessionaire and observed during the site visit that no kiosks/khokha is affected due to strengthening of the subproject and does not involve any physical displacement.</p> <p>Land acquisition process was initiated prior to IIFCL's involvement and not in anticipation of ADB financing and that IIFCL was not involved in the rehabilitation and resettlement activities.</p> |
| 6. | Were any environmental and social due diligence undertaken by your organization? | <p>Yes, Environmental and Social Due Diligence (ESDD) study was carried out by the ESMU of IIFCL based on the review of information/Documents/NOCs/Consents/Permissions and field verification during site visit (10th-11th July, 2014).</p> <p>For annual audit purposes, site visit was conducted by ESMU Staff for verification of safeguards measures implementation at project site on 22nd July 2016. Review of information has been done for the reporting period January – December 2018 as part of audit activity.</p> <p>(If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.)</p> |
| 7. | Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization? | <p>The Environmental and Social Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire:</p> <p>Environment Safeguards: The following documents were referred/reviewed in order to prepare Environmental Due-Diligence Report:</p> <ul style="list-style-type: none"> (i) EIA/EMP as prepared by Consulting Engineers Group Ltd.; (ii) Project Environmental Management Plan (iii) Project's statutory clearances/consents/ approvals and permits (iv) Environmental Parameters Monitoring reports (v) Project HSE documents (vi) Details of overall traffic and road safety measures being implemented in the sub project; (vii) Progress Review Reports prepared by Unihorn (India) Pvt. Ltd. (viii) Concession Agreement (ix) EPC Contract Documents; (x) Project Information Memorandum <p>Social Safeguards:</p> |

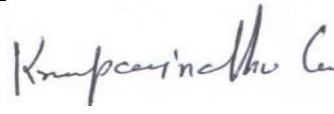
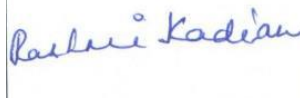
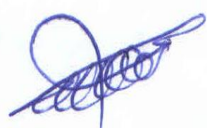
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| | | <p>The following documents were referred/reviewed in order to prepare Social Safeguards Due-Diligence Report:</p> <ul style="list-style-type: none"> • As informed by the developer, no tribal families are getting affected due to the sub project; • Feasibility Report; • Project Information Memorandum; • Concession Agreement; • Engineering Procurement and Construction Agreement; • Lender's Independent Engineer's report, September 2015; • Gazette Notification for land acquisition <p>(If yes, please provide the names of documents reviewed.)</p> |
| 8. | <p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p> | <p>Environment Safeguards:</p> <p>During ESDDR preparation, no environmental issues were identified for addressal in the project. The project is complete and under operation. Completion letter was issued by the Independent Engineer on 30th November 2016.</p> <p>The following documents/information were reviewed for the purpose of annual audit:</p> <ul style="list-style-type: none"> (i) Status of tree plantation (ii) Road accident-incident management reports (January – December 2018) (iii) Traffic and road safety measures being implemented in the sub project; (iv) Monitoring Reports – air, water & noise <p>Following are the observations / outcome of the review of documents / information for annual audit:</p> <ul style="list-style-type: none"> • The sub-project is in operation phase. Completion letter was issued by Independent Engineer on 30th November 2016. • Sub-project developer has informed that during reporting period all major machinery and equipment were demobilized from site. No construction activity took place during the reporting period. • Developer has informed that no tress have been cut during reporting period. • During reporting period 10,000 median plantations have been done at the project and survival records are maintained at site. • Developer has informed that safety awareness programs are conducted at the project by celebrating safety week and distributing pamphlets to road users. Highway Traffic Management System (HTMS) has been developed in the project for traffic and road safety management. • Accident/incident data is analysed and appropriate measures are being taken by the developer to prevent the reoccurrence of the accident/incident. The reports are being submitted to Concessioning Authority/Independent Engineer. • Developer has informed that air, water and noise monitoring is done at the sub-project during May 2019. The monitoring results |

Etawah Chakeri (Kanpur) Highways Pvt. Ltd.

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| | | <p>are within the permissible limits. The reports were submitted to the Concessioning Authority NHAI.</p> <p>The sub-project has achieved commercial operation since October 2015 and was completed in November 2016. During review of safeguards documents for reporting period, no environmental issues were identified for Etawah Chakeri Highways project.</p> <p>Social Safeguards:</p> <p>Land acquisition process was initiated prior to IIFCL's involvement and not in anticipation of ADB financing and that IIFCL was not involved in the rehabilitation and resettlement activities.</p> <ul style="list-style-type: none"> • Land acquisition was completed; • No rehabilitation and rehabilitation in the project; • No indigenous people affected because of the project; <p>The sub-project has achieved commercial operation since October 2015 and was completed in November 2016. During review of safeguards documents for reporting period, no social issues were identified for the project.</p> |
| 9. | Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation? | On periodic basis, Lender's consortium meets take place in which Project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any. |
| 10. | For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website? | <p>Etawah Chakeri (Kanpur) Highways Pvt. Ltd. does not fall under category A as per ADB's safeguard requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p> |
| 11. | Were any conditions or covenants related to environmental and social issues made along with the investment? | <p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p> |
| 12. | Does the investment comply with applicable government requirements? | Yes |
| 13. | Does the investment comply with applicable DFI safeguard requirements? | Yes |

**ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT
FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-1)**

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)¹. This format is only for guidance and could be improved.

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| Name of Organization | India Infrastructure Finance Company Limited (IIFCL), New Delhi | |
| Name of Sub-project | Securitization of Five Mumbai Entry Points along with maintenance of flyovers and allied structures. | |
| Name of Sub-project Developer | MEP Infrastructure Road Pvt. Ltd. | |
| Reporting Period | From January to December 2018 | |
| Audit Activity | Name of Audit Team Member & Designation | Signature |
| Prepared by: | Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) ESMU, IIFCL |  |
| | Dr. Rashmi Kadian Assistant General Manager (Environment Specialist) |  |
| Reviewed & Approved by Senior Staff with Overall responsibility for ESMS Implementation | Dr. S.S. Garg, General Manager & Head- ESMU, IIFCL |  |

A. Environmental and Social Management System (ESMS)

| Sr. No. | Policies & Processes | Yes/No | |
|----------------|--|---------------|--|
| 1. | Has your organization developed and implemented an ESMS? | Yes | ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website: http://www.iifcl.co.in/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.) |
| 2. | If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your | Yes | Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, latest revised ESSF was approved |

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

| | organization during the reporting period? | | by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above. (If yes, please provide a copy of the updates including dates and reasons for the same.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3. | Has senior management signed off on the updated policy/ procedure? | Yes | The ESSF 2016 has been approved by IIFCL Board on 23 rd February 2016. (If yes, please provide the date and internal communication indicating the same.) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Has your organization appointed staff tasked to implement the ESMS? | Yes | <p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently one full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on December 2018 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) & Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001</td><td>24 yrs</td></tr><tr><td>2.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>16 yrs</td></tr><tr><td>3.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>17 yrs</td></tr><tr><td>4.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>17 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education backgroud) to implement the ESMS.)</p> | | | | | Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs |
| Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Please give details of any | No | No such incident has been reported during January- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | transactions rejected due to environmental and/or social concerns. | | December 2018 |
| 6. | Please state any difficulties and/or constraints related to the implementation of the ESMS. | | <p>One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, European Investment Bank and Japan International Cooperation Agency) under lines of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically.</p> |
| 7. | Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements. | | <p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p> |
| 8. | Please give details of any material social and environmental issues associated with clients during the reporting period in particular. | | <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a</p> |

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| | | | challenging task. IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically. No such environmental and social issues are associated with the subproject during the reporting period. |
| 9. | In case the existing ESMS is not fully functional, what are the action plan being implemented by your organization? | | Presently, existing ESMU is functional. (Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.) |
| | Capacity | <i>Yes/No</i> | |
| 10. | Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS. | Yes | Dr S S Garg, General Manager & Head ESMU has the overall responsibility for the implementation of ESSF. His contact information are provided below: Email : ss.garg@iifcl.org Phone : +91 11 24662601 |
| 11. | Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation. | Yes | Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. (Please describe the training provided to the ESMS persons and other team members during the year.) |
| 12. | What was the budget allocated to the ESMS and its implementation during the year? | Yes | ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget. (Please provide budget details including staff costs and training as well as any actual costs.) |
| | Monitoring | | |
| 13. | Do you receive environmental and social monitoring reports from Lead Banks/Borrowers? | Yes | The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.) |
| 14. | Do you check for ongoing compliance of your clients with national regulation and any other requirements? | Yes | During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for |

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| | | | <p>field verification.</p> <p>(If yes, please describe the process including any social and environmental considerations if applicable.)</p> |
| 15. | <p>Please describe how you monitor the clients and their investments social and environmental performance.</p> | | <p>All the subprojects are invariably visited at the time of ESDDR preparation. Further, for audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore, for audit purpose only limited projects were visited.</p> <p>The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land acquisition, shifting of common property resources status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 17 project approved under AIIFI Line of Credit, 8 have been prepaid. Out of balance 9 sub-projects, 8 projects have achieved provisional COD/COD or approved under takeout finance scheme. The safeguards audit reports have been prepared based on desk review of safeguards compliance information/records related to project and discussions with project developer team. The projects for which safeguards audit reports are being submitted have achieved COD and there are no pending safeguard issues at the projects.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p> |
| 16. | <p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance | | <p>The project specific details are provided in Section 'C'.</p> |

| | Reporting | | |
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| 17. | Is there an internal process to report on social and environmental issues to Senior management? | Yes | <p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p> |
| 18. | Do you prepare any social and environmental reports: <ul style="list-style-type: none"> - For other multilateral agencies - Other stakeholders - E&S reporting in the Annual Report - Sustainability reports | Yes | <p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is http://www.iifcl.org/Content/report.aspx?mid=17&bid=2&cid=1</p> <p>(If yes, please provide copies of these reports.)</p> |

| Sr. No. | B. Activities on DFI's Prohibited Investment Activities List | |
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| 1. | If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS,2009) | Not applicable, since, IIFCL does not finance in activities as per prohibited investment list. |
| 2. | If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure. | Not applicable |

C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

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| 1. | Name of Subproject: | Securitization of Five Mumbai Entry Points along with maintenance of flyovers and allied structures. Sub-project Developer: MEP Infrastructure Pvt. Ltd. |
| 2. | Location: | Mumbai city in the state of Maharashtra |
| 3. | Sector: | Roads and Highways (The Project scope included Operation, maintenance of 27 flyovers, capacity augmentation of Mulund (EEH), Mulund (LBS) & Vashi Toll plazas, O & M of five Toll Plazas Mumbai Entry Points including toll collection at |

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| | | prescribed rates for Contract / Concession period) |
| 4. | Total loan from IIFCL/DFI (US\$ MN): | 30.49 USD Million |
| 5. | Safeguard category: (Annex E-3) | Environmental Category B No Involuntary Resettlement –Category-C No Indigenous People are affected- Category-C |
| 6. | Were any environmental and social due diligence undertaken and by your organization? | Yes, Environmental & Social Due-diligence for MEPIPL project was undertaken by Environmental and Social safeguard specialists of IIFCL for which desk review of safeguards documents was carried out along with field verification done during site visit conducted on 31 st May, 2013. The project was visited by the Environmental and Social safeguard specialists of IIFCL along with ADB's Fact Finding Mission Team. Review of safeguard related information was also done for the period January - December 2018 for annual audit purpose. |
| 7. | Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization? | The Environmental safeguard due-diligence study was carried out for the project on the basis of site visit observations and understanding project scope based on information and documents provided by Concessionaire. <u>Environmental Safeguards:</u> The following documents were referred in order to prepare Environmental Safeguards Due-Diligence Report: <ul style="list-style-type: none"> • Document for Environment Management and Health & Safety Measures implemented at site by Concessionaire (including Plantation details) • Emergency Preparedness and Response Plan (Part of O&M Maintenance Manual) • Accident Data Sheets (May 2013) for different Highway corridors of Mumbai city • Institutional Framework for Site Safety Team • Maintenance Manual for Entire Concession Period of Airoli Bridge Corridor (Sample document) ; • Common Loan Agreement signed between Concessionaire and Lenders; • Concession Agreement signed between Concessionaire and MSRDC • Project Information Memorandum (PIM); As informed by Concessionaire during site visit, all the applicable statutory clearances from competent authorities were obtained by MSRDC during pre-construction/construction stage of project. Concessionaire's responsibility is only to operate and maintain the constructed facility during concession period of 16 years. |

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| | | <p><u>Social Safeguards:</u> The Social safeguard due diligence study for the project was undertaken based on the review of Project Information Memorandum, discussion with the concessionaire and site visit observation.</p> <p>Generally a project comes to IIFCL after the technical closure and prior to the financial closure, where preparation of all the documents like PIM, EIA land acquisition and compensation etc. have been initiated and finalized by the Concessioneing Authority where IIFCL have a very limited role to play.</p> <p>Generally due diligence for a project conducted based on the available documents like PIM, EIA, Permits & clearances, land acquisition and compensation etc., verification of pending litigation cases (if any) and discussions during the site visit was also carried out for the project.</p> <p>However, As documented in the ESDDR, the project does not involve any land acquisition. The project scope includes Collection of Toll at five Mumbai Entry Points at prescribed rates along with operation and maintenance of 27 flyovers and allied structures.</p> <p>The project does not involve any physical or economic displacement due to land acquisition or restriction of land use.</p> <p>The project does not involve any Resettlement. The project does not involve any Indigenous People.</p> |
| 8. | What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)? | <p><u>Environmental Safeguards:</u></p> <p>During ESDDR preparation, no environmental issues were identified for addressal in MEP Infrastructure project.</p> <p>The following documents, as received from M/s. MEPIPL, have been reviewed for annual audit purpose:</p> <ul style="list-style-type: none"> • Document detailing environmental management and health, safety measures implemented by developer during operation phase (like plantation, labour & road safety details with site photographs) • Accident/Incident data for the period from January to December 2018. • Monthly Progress Reports submitted to MSRDC by Independent Engineer of MEP for the Period of January to December 2018 providing details of periodic/routine road maintenance activities including plantation, safety measures implementation with photographic proof. <p>For the purpose of annual audit related to Environmental</p> |

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| | <p>safeguards implementation at site, following confirmations have been provided by the developer:</p> <ul style="list-style-type: none"> • Project developer has confirmed that all statutory approvals applicable to the project are obtained directly by sub-contractors executing that particular maintenance job (required for Bituminous Concrete works only). Work is awarded to the sub-contractor only after adequate scrutiny of these documents. • Project developer has confirmed that no complaints received from general public regarding environmental safeguards issues in project stretch during the reporting period. • Project developer has provided road & traffic safety measures in project stretch like safety signage, road safety barricades, lighting arrangements etc. • Daily cleaning and housekeeping work is in progress on all flyovers, subways and footpaths. • Plantation and beautification work is done on a continuous basis. • Developer has awarded works related to maintenance to different agencies for which details of activities are given in monthly progress reports. • Monthly accident/incident data is recorded and reported. <p>During review of safeguards documents for reporting period, no environmental issues were identified for addressal in MEP Infrastructure project. The sub-project is in operation since the year 2012 and no environmental safeguard issues are observed during operation phase.</p> <p><u>Social Safeguards:</u> The project has been financed by IIFCL under Takeout Finance Scheme under which only those projects are financed which are in operation for more than one year. The project was already in operation stage during the due diligence study. It was noted during the due diligence study that the project scope only involves collection of Toll at five Mumbai Entry Points at prescribed rates along with operation and maintenance of 27 flyovers and allied structures.</p> <p>The project did not involve any land acquisition and resettlement issues. Thus, no social safeguard issues were involved in the project.</p> <p>Based on the review of documents and reports, it can be concluded that,</p> <ul style="list-style-type: none"> • The project did not involve any land acquisition and the currently the project is in operation stage. |
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| | | <ul style="list-style-type: none"> • The project does not involve any physical or economic displacement due to land acquisition or restriction of land use. • No indigenous people are affected; • No rehabilitation and resettlement are involved • The project did not have any social safeguard issues during the reporting period. |
| 9. | Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation? | <p>MEP Infrastructure Pvt. Ltd. project has been in operational stage before IIFCL's exposure as the project scope is limited to toll collection and O&M of 27 flyovers and five entry points of Mumbai city, so the project doesn't seem to have potential environmental and social safeguards issues.</p> <p>As a general practice in every project, Lender's consortium meets take place on periodic basis in which project's physical & financial progress is discussed including critical environmental & social safeguards issues, if any.</p> |
| 10. | For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website? | <p>The sub-project doesn't fall under category A as per ADB's safeguards requirements.</p> <p>(If yes, please provide website link and the date the documents were uploaded.)</p> |
| 11. | Were any conditions or covenants related to environmental and social issues made along with the investment? | <p>The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the Lead Bank and other consortium members with the Concessionaire.</p> <p>(If yes, please briefly describe.)</p> |
| 12. | Does the investment comply with applicable government requirements? | Yes |
| 13. | Does the investment comply with applicable DFI safeguard requirements? | Yes |

ANNEX E-17: PERIODIC ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT FOR SUBPROJECTS APPROVED UNDER ADB'S LINE OF CREDIT, AIIFI (PFR-I)

Please provide responses to the questions below. Please include additional sheets or attachments as required to provide details on questions that have been answered Yes. IIFCL is required to submit the periodic performance report to DFIs (see footnote below)¹. This format is only for guidance and could be improved.

| | | |
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| Name of Organization | India Infrastructure Finance Company Limited (IIFCL) | |
| Name of Sub-project | 76 MW Wind farm at District Ratlam & Mandsaur in Madhya Pradesh, India | |
| Name of Sub-project Developer | Uttar Urja Projects Private Limited | |
| Reporting Period | From January to December 2018 | |
| Audit Activity | Name & Designation | Signature |
| Prepared by | Mr. Krupasindhu Guru Assistant General Manager (Social Safeguard Specialist) |  |
| | Dr. Rashmi Kadian Assistant General Manager (Environment Specialist) |  |
| Reviewed & approved by Senior Staff with overall responsibility for ESMS implementation | Dr S. S. Garg General Manager & Head, ESMU |  |

A. Environmental and Social Management System (ESMS)

| | Policies & Processes | Yes/ No | |
|----|--|--------------------|--|
| 1. | Has your organization developed and implemented an ESMS? | Yes | ESSF was adopted by IIFCL in October 2008 which was subsequently revised in November, 2010 and July 2013 and Addendum to the ESSF for World Bank financed projects was issued in year 2014. The latest revised ESSF of February 2016 is available on IIFCL's website: http://www.iifcl.co.in/WriteReadData/userfiles/file/Final%20ESSF%20Feb%202016%2023_5_2016%20(1).pdf (If yes, please attach a copy of the ESMS to this report. Please indicate the date that the ESMS was established.) |
| 2. | If there is an ESMS already in place, have there been any updates to the ESMS or policy and procedures adopted by your organization during the reporting period? | Yes | Based on ESMU's operational experience & current practices, ESSF has been further revised which is in alignment with Govt. of India Guidelines/Regulations. During February 2016, latest revised ESSF was approved by IIFCL Board which has been further shared with DFI's during May 2016. Weblink for the same is given above. (If yes, please provide a copy of the updates including dates and reasons for the same.) |
| 3. | Has senior management signed off on | Yes | The ESSF 2016 has been approved by IIFCL Board on 23 rd |

¹ Reporting requirements outlined here pertained to ADB. Other DFIs also have similar requirements.

| | the updated policy/ procedure? | | February 2016. (If yes, please provide the date and internal communication indicating the same.) | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|---|---|---|------------------------------|------------------|-------------|---------------|------------------------------|----|----------------|-----------------------------------|--|--------|----|-------------------|---|-------------------------------------|--------|----|----------------------|--|--|--------|----|-----------------|---|-------------------------------------|--------|
| 4. | Has your organization appointed staff tasked to implement the ESMS? | Yes | <p>Environmental and Social Safeguards Management Unit (ESMU) has been set up at IIFCL in 2010 to fulfil the environmental & social safeguard commitments based on ESSF guidelines.</p> <p>The ESMU is headed/ coordinated by a qualified full-time staff of IIFCL and currently one full-time environmental safeguards specialists and one full-time social safeguards specialist are engaged, headed by head ESMU in the rank of General Manger. The details of the ESMU team as on December 2018 are given below:</p> <table><tr><th>Sl. No</th><th>Name of Employee</th><th>Designation</th><th>Qualification</th><th>Experience in relevant field</th></tr><tr><td>1.</td><td>Dr. S. S. Garg</td><td>General Manager (GM) & Head, ESMU</td><td>Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001</td><td>24 yrs</td></tr><tr><td>2.</td><td>Dr. Rashmi Kadian</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>16 yrs</td></tr><tr><td>3.</td><td>Mr. Krupasindhu Guru</td><td>Assistant General Manager (AGM)- Social Specialist</td><td>Masters in Economics, Masters in Journalism, and LLB</td><td>17 yrs</td></tr><tr><td>4.</td><td>Dr. Ruchi Malik</td><td>Assistant General Manager (AGM)- Environment Specialist</td><td>Doctorate in Environmental Sciences</td><td>17 yrs</td></tr></table> <p>(If yes, please provide information on number of staff and qualification (experience and education background) to implement the ESMS.)</p> | Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs |
| Sl. No | Name of Employee | Designation | Qualification | Experience in relevant field | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | Dr. S. S. Garg | General Manager (GM) & Head, ESMU | Doctorate in Environmental Sciences, Diploma in Industrial Safety, Lead Auditor for ISO 14001, ISO 9001 & OHSAS18001 | 24 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Dr. Rashmi Kadian | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 16 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Mr. Krupasindhu Guru | Assistant General Manager (AGM)- Social Specialist | Masters in Economics, Masters in Journalism, and LLB | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Dr. Ruchi Malik | Assistant General Manager (AGM)- Environment Specialist | Doctorate in Environmental Sciences | 17 yrs | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Please give details of any transactions rejected due to environmetnal and/or social concerns. | Yes | No such incident has been reported during January-December 2018 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Please state any difficulties and/or constraints related to the implementation of the ESMS. | | One of the pre requisites for getting funding (multilateral/bilateral financial institutions like World Bank, Asian Development Bank, European Investment Bank and Japan International Cooperation Agency) under lines of credit is the evaluation of the subprojects on environmental and social issues. The ESSF of IIFCL provides an enabling mechanism to | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | | | <p>IIFCL to meet environmental and social safeguard requirements associated with sub-projects.</p> <p>As per the mandate, IIFCL finances upto 20% of project cost thus, IIFCL is a minor partner in the consortium. IIFCL follows the ESSF, whereas the other lending partners do not have such safeguards framework.</p> <p>The environmental and social safeguards requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically.</p> |
| 7. | Please describe how you ensure that your clients and their investments are operated in compliance with the national laws and regulations and applicable DFI's safeguard requirements. | | <p>In the Common Loan Agreement for each project funded by IIFCL, certain covenants are always put up reflecting concessionaire's liability to comply with applicable laws of land as required for project implementation.</p> <p>The safeguard compliance status of the project is examined during the due diligence study of the project. After the approval of the project by the DFIs, ESMU conducts annual audit of the projects to review whether the projects are operated in compliance with the applicable laws and regulations.</p> <p>To ensure compliance with DFIs safeguards requirements reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, LIE reports and six monthly compliance reports are generally shared by developer with IIFCL. The borrowers also engage safety officers/engineers to look after the safety, health and environment related aspects.</p> |
| 8. | Please give details of any material social and environmental issues associated with clients during the reporting period in particular. | | <p>The environmental and social safeguard requirement of any infrastructure project requires screening of vast quantum of data / information / statutory approvals / permits / periodic compliance monitoring reports etc. as per National safeguards requirements. Extracting this information from the developer is a time consuming process and is a challenging task.</p> <p>IIFCL monitors the project through Lender's Engineer Report, site visits and E&S information sought from the concessionaire periodically. No such environmental and social issues are associated with the subproject during the reporting period.</p> |
| 9. | In case the existing ESMS is not fully functional, what are the action plan beining implemented by your organization? | | <p>Presently, existing ESMU is functional.</p> <p>(Please provide information or cite recommendation made by DFI's review mission to improve the ESMS and its implementation.)</p> |
| | Capacity | <i>Yes/ No</i> | |

| | | | |
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| 10. | Please provide the name and contact information of the senior staff who has the overall responsibility for the implementation of ESMS. | Yes | Dr S S Garg, General Manager & Head ESMU has the overall responsibility for the implementation of ESSF. His contact information are provided below: Email : ss.garg@iifcl.org Phone : +91 11 24662601 |
| 11. | Please provide current staffing of other core ESMS persons in the organization involved with ESMS implementation. | Yes | Please refer Section A, point no. 4 for details of ESMU persons of IIFCL. (Please describe the training provided to the ESMS persons and other team members during the year.) |
| 12. | What was the budget allocated to the ESMS and its implementation during the year? | Yes | ESMU is the core team of IIFCL and requisite budgetary provision is a part of IIFCL's budget. (Please provide budget details including staff costs and training as well as any actual costs.) |
| Monitoring | | | |
| 13. | Do you receive environmental and social monitoring reports from Lead Banks/Borrowers? | Yes | The project is monitored through Lenders Engineer's reporting. The Lender's Independent Engineer is appointed by the Lead Bank of the Lender's Consortium to monitor the physical, financial progress and the compliance of various regulatory requirements. Periodic LIE reports are provided by the Lead Bank to the IIFCL. The LIE reports generally cover areas related to statutory approval status, forest diversion, tree cutting status, safety management, land acquisition status, utility shifting and pending litigation etc. From Borrowers, IIFCL receives reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management and six monthly compliance reports, etc. (If yes, please describe and provide supporting documents including any social and environmental considerations if applicable.) |
| 14. | Do you check for ongoing compliance of your clients with national regulation and any other requirements? | Yes | During the environmental and social due diligence study and subsequent audit, the compliance of the project with the applicable regulation is checked with available documentation. The site visit is carried out by ESMU for field verification. (If yes, please describe the process including any social and environmental considerations if applicable.) |
| 15. | Please describe how you monitor the clients and their investments' social and environmental performance. | | All the subprojects are invariably visited at the time of ESDDR preparation. Further, for audit purposes, it was discussed that only a percentage of such projects would be visited if there are any pending safeguards issues. Therefore, for audit purpose only limited projects were visited. The social and environmental performances are checked during the preparation of Environmental and Social Due Diligence Report and annual audit. Each approved project is evaluated for its environmental and social safeguard compliance performance against the applicable safeguard requirements at the time of annual audit. The compliance status is also assessed through the LIE report which covers the statutory approval status, forest diversion, tree cutting status, safety management, land |

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| | | | <p>acquisition, shifting of common property resource status and pending litigation etc; reports on implementation of EMP, reports on monitoring of environmental parameters, status of safety management, six monthly compliance reports and through site visits.</p> <p>Out of the 17 project approved under AIIFI Line of Credit, 8 have been prepaid. Out of balance 9 sub-projects, 8 projects have achieved provisional COD/COD or approved under takeout finance scheme. The safeguards audit reports have been prepared based on desk review of safeguards compliance information/records related to project and discussions with project developer team. The projects for which safeguards audit reports are being submitted have achieved COD and there are no pending safeguard issues at the projects.</p> <p>(Please describe and provide supporting documents such as environmental and social monitoring reports and please provide information on the number of subprojects where a field visit was conducted by staff to review aspects including social and environmental issues.)</p> |
| 16. | <p>Please provide details of any accidents/litigation/complaints /regulatory notices and fines:</p> <ul style="list-style-type: none"> - Any incidents of non-compliance with the applicable Environmental and Social Requirements - Covenants/conditionalities imposed by IIFCL to the client as a result of any non-compliance | | The project specific details are provided in Section 'C'. |
| | Reporting | | |
| 17. | Is there an internal process to report on social and environmental issues to Senior management? | Yes | <p>The ESDDR (one time document) and Audit sheets are approved by the Senior Management.</p> <p>The ESDDR is a detailed report on environmental as well as social safeguards and annual audit sheet is reported in the present format.</p> <p>(If yes, please explain the process, reporting format and frequency and actions taken if any.)</p> |
| 18. | <p>Do you prepare any social and environmental reports:</p> <ul style="list-style-type: none"> - For other multilateral agencies - Other stakeholders - E&S reporting in the Annual Report - Sustainability reports | Yes | <p>ESMU prepares Environment and Social Due Diligence report for the projects which are posed to other DFIs to draw down, under their line of credit. IIFCL's annual report also reports on the ESSF since the year 2008-09 and ESMU since its inception in the year 2009-10.</p> <p>The Annual Reports are uploaded on IIFCL website and weblink for the same is http://www.iifcl.org/Content/report.aspx?mid=17&bid=2&cid=1</p> <p>(If yes, please provide copies of these reports.)</p> |

B. Activities on DFI's Prohibited Investment Activities List

Uttar Urja Projects Private Limited

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| 1. | If any, please indicate the dollar percentage of loans or investments out of your total outstanding exposure provided to clients who are substantially involved in DFI's Prohibited Investment Activities List (Refer to Annexure V of SPS 2009). | Not applicable, since, IIFCL does not involve in the prohibited investment activities. |
| 2. | If the percentage is not zero, please explain these exposures and any steps having been taken to reduce such exposure. | Not applicable |

C. Subprojects Using DFI Funds

Please provide information about all new investments using DFI funds approved during this reporting period.

| | | |
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| 1. | Name of Subproject: | Sub-project Developer: Uttar Urja Projects Private Limited (UUPPL) Sub-project: 76 MW Wind farm at District Ratlam & Mandsaur in Madhya Pradesh, India |
| 2. | Location: | District Ratlam and Mandsaur in the State of Madhya Pradesh, India |
| 3. | Sector: | Renewable (Wind Power) |
| 4. | Total loan from IIFCL/DFI (US\$ MN): | 13.85 US \$ MN |
| 5. | Safeguard category: (Annex E-3) | Environment Category B No Indigenous People are involved in this project- Category-C No Rehabilitation and resettlement are involved in this project- Category-C |
| 6. | Were any environmental and social due diligence undertaken by your organization? | Environmental & Social Due-Diligence for Uttar Urja Projects Private Limited (UUPPL) was undertaken by ESMU Safeguard Specialists for which desk review of safeguards related documents was carried out along with field verification on 11 th December 2015. Review of safeguard related information was also done for the period January – December 2018 for annual audit purpose. (If yes, provide information on due diligence activities, such as desk review of safeguard documents, and field visit, and by whom.) |
| 7. | Any environmental assessment report (including environmental management plan), involuntary resettlement plan, or indigenous peoples plan, or audit reports reviewed by your organization? | <u>Environmental Safeguard:</u> The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. The following documents were referred/reviewed in order to prepare Environmental Safeguards Due-Diligence Report: <ul style="list-style-type: none"> • ESIA Report • Detailed Project Report • Project Statutory Approvals/Permits • Project HSE Documents • Power Purchase Agreement • Lender's Independent Engineer Reports • Labour License • Contract Documents • Project Information Memorandum (PIM) <u>Social Safeguard</u> The social due diligence report for the project was initiated after review of Project Information Memorandum (PIM), Detailed Project Report (DPR), |

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| | | <p>and Environmental & Social Impact Assessment (ESIA) report. On site visit and detail consultation/discussion with the project developer UUPPL and permits and approvals relating to the project to understand the salient features of the project and social concerns. The following documents/Reports/Licenses and notifications were referred in order to prepare the Social Safeguard Due Diligence Report:</p> <p>The project does not involve Resettlement and do not involve any IP.</p> <ul style="list-style-type: none"> • Gazette Notification; • ESIA Report; • Detailed Project Report; • Project Statutory Approvals/Permits; • Project HSE Documents; • Power Purchase Agreement; • Lender's Independent Engineer Reports; • Labour License; • Contract Documents; • Project Information Memorandum (PIM) • Discussion with developer during site visit. <p>(If yes, please provide the names of documents reviewed.)</p> |
| 8. | <p>What were the main environmental, involuntary resettlement and indigenous peoples issues associated with this subproject that were identified through due diligence conducted by your organization, and how were the issues dealt with (i.e., outcome of due diligence)?</p> | <p><u>Environmental Safeguard</u></p> <p>The Environmental Safeguard Due-Diligence study was carried out for the sub-project on the basis of site visit observations and understanding project scope based on information and documents provided by the Concessionaire. There were no environmental issues identified to be addressed at the sub-project at the time of due diligence. The WTGs at UUPPL have been commissioned during September to December 2015.</p> <p>The following documents are referred for the purpose of E&S annual audit of the sub-project:</p> <ul style="list-style-type: none"> • Monthly Safety MIS Reports (January & December 2018) • Noise monitoring report (April – December 2018) • Bird and bat monitoring report (April-August, 2018) • Fire extinguisher maintenance audit; First aid box audit; PPE inspection report; Safety/Fire Equipment report; Fire alarm and smoke detector audit report (January 2018) • HSE Training calendar 2018 • HSE related training records, 2018 (samples) <p>Following are the observations / outcome of the review of documents / information for annual audit :</p> <ul style="list-style-type: none"> • The sub-project has been commissioned during September – December 2015. • Bird and bat monitoring is being done at the project to assess the bird and bat mortality due to WTG operation. The security guards are also trained to conduct carcass survey. Mitigation measures like painting the blades of WTGs and installation of bird guards on poles to minimize electrocution have been taken up by the Concessionaire. Another mitigation measure taken up at UUPPL is to remove vegetation under the turbines so that it does not attract birds. • Developer is conducting noise monitoring at the sub-project during day and night. The noise levels are found to be within permissible |

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| | | <p>limits.</p> <ul style="list-style-type: none"> • Adequate institutional arrangement exists at the sub-project contractors for implementation of EHS related aspects. Project has formed a Safety Committee to look after EHS aspects. • EHS reports & compliance are in practice at site. • Monthly safety reports are generated and records are maintained at the sub-project. Monthly safety reports cover accident/incident reports; fire, safety, first aid and induction training reports; fire extinguisher inspection status; vehicle inspection; PPE inspection. • Housekeeping awareness trainings, firefighting trainings and tool box trainings are being conducted regularly at site for staff and security guards. • Grievance register is being maintained at site. • Plantation was taken up at the substation during June 2018. <p>On review of the safeguard information, it is found that no environmental issues are identified and the EHS aspects implementation and institutional arrangement for the same is adequate at the sub-project. The project is under operation since the year 2015 and no pending environment safeguard are observed during operation phase.</p> <p>Social Safeguard</p> <ul style="list-style-type: none"> • The project is under operation since 2015. • The sup project, UUPL was prepared prior to the ADB's involvement and IIFCL entered into the project after technical closure and before the financial closure of the project in the consortium; • The project does not involve physical or economic displacement due to involuntary land acquisition or restriction of land use. • The subproject UUPL was prepared by Govt. of Madhya Pradesh as per the national requirements for its own requirement and not in anticipation of ADB's procedure. • The project was disclosed to the project affected people through Gazette Notifications; • The subproject does not impact any Schedule Caste/Schedule Tribe people; • There is no pending cases relating to land acquisition and compensation. • The project do not have any impact on the settlement area and no cultural and community property is affected due to the project. • UUPL is located mainly over the Revenue Land granted by the Government of Madhya Pradesh allotted by Madhya Pradesh New and Renewable Energy Department (MPNRED) for a period of 25 years. • There is no rehabilitaiton and resettlement in the project. • Developer has been appreciated in the region for help tendered to various Gram Panchayats for community development activity. |
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Uttar Urja Projects Private Limited

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| | | The sub-project was commissioned during 2015, since then the project is in operational, it seems the there are no social issue are associated with the project. |
| 9. | Did you discuss with the Lead Bank the applicable environmental and social safeguard requirements and their implementation? | No, as IIFCL is a late entrant in project development. |
| 10. | For category A subproject, were safeguards related documents such as EIA, RP and IPP, or audit reports made publicly available, in addition to posting on ADB's website? | Uttar Urja Projects Private Limited does not fall under category A as per ADB's safeguard requirements. (If yes, please provide website link and the date the documents were uploaded.) |
| 11. | Were any conditions or covenants related to environmental and social issues made along with the investment? | The compliance to the applicable laws of land is included as a covenant in the loan agreement signed by the lead bank and other consortium members with the Concessionaire. (If yes, please briefly describe.) |
| 12. | Does the investment comply with applicable government requirements? | Yes |
| 13. | Does the investment comply with applicable DFI safeguard requirements? | Yes |

RE: For Safeguards Review: L3048-IND: AIIFI ESPRs 2018



Rashmi Kadian <rashmi.kadian@iifcl.org>

To Pamela Pueo Gutierrez

Cc Takuya Hoshino; Monica Carino-Young; Ma. Kristina C. Hidalgo; aniltaneja@iifcl.org; ss.garg@iifcl.org; ajay.singh@iifcl.org; Neha Munjal; 'K Guru '

Dear Ms Pam,

With reference to the trail email, it is noted and stated that the subprojects comply with ADB's Safeguard Policy Statement, 2009 and IIFCL's Environmental and Social Safeguards Framework.

धन्यवाद एवं सादर

डॉ रश्मि कादियान/Dr. Rashmi Kadian

सहायक महाप्रबंधक/Assistant General Manager

इंडिया इन्फ्रास्ट्रक्चर फ़ाइनेंस कंपनी लिमिटेड/India Infrastructure Finance Company Ltd. (IIFCL)

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