
LOAN NUMBER 3728-IND

LOAN AGREEMENT
(Ordinary Operations)

(Accelerating Infrastructure Investment Facility in India – Project 3)

between

ASIAN DEVELOPMENT BANK

and

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

DATED 16 NOVEMBER 2018

IND 47083

**LOAN AGREEMENT
(Ordinary Operations)**

LOAN AGREEMENT dated 16 November 2018 between ASIAN DEVELOPMENT BANK ("ADB") and INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED ("Borrower").

WHEREAS

(A) by a framework financing agreement dated 19 August 2013 between the Borrower and ADB, ADB has agreed to provide a multitranche financing facility to the Borrower for the purposes of financing projects under the Accelerating Infrastructure Investment Facility in India;

(B) by a periodic financing request dated 14 March 2018, the Borrower has applied to ADB for a loan for the purposes of the Project described in Section 3.01(a) of this Loan Agreement;

(C) the loan is to be guaranteed by India ("Guarantor") under the terms of the Guarantee Agreement of even date herewith between the Guarantor and ADB; and

(D) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All the provisions of the ADB's Ordinary Operations Loan Regulations, dated 1 January 2017 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications:

- (a) Paragraph (c) of Section 7.10 (Negative Pledge) is deleted.
- (b) For a Drawdown Amount, the modifications in paragraph 1 of Schedule 1 shall apply.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

- (a) "Anticorruption Policy" means ADB's Anticorruption Policy (1998, as amended to date);

- (b) "Companies Act, 2013" means the Companies Act, 2013 of the Guarantor, as amended from time to time;
- (c) "Corporate Governance Framework" means the corporate governance framework formulated in accordance with the Borrower's Comprehensive Business Plan and International Best Practices and attached as Appendix 4 to the RRP for Loan 2882;
- (d) "Drawdown Amount" means the principal amount of the Loan disbursed by ADB to the Borrower from the Loan Account in respect of a Withdrawal Request;
- (e) "ESMU" means the Environmental and Social Management Unit established by the Borrower in February 2010, that will be responsible for monitoring of compliance with the Guarantor's national and state level policies, laws and regulations and the ESSF;
- (f) "ESSF" means the environmental and social safeguards framework prepared in consultation with ADB and in accordance with the Guarantor's national and state level policies, laws and regulations, safeguard policies of other development partners, and set out in Schedule 5 to the FFA, as amended from time to time;
- (g) "Facility" means the Accelerating Infrastructure Investment Facility in India provided by ADB to the Borrower;
- (h) "FFA" means the framework financing agreement dated 19 August 2013, entered into between ADB, the Borrower, and the Guarantor, for the Facility;
- (i) "Goods" means equipment and materials to be financed out of the proceeds of a Subloan, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding consulting services;
- (j) "Guarantor" for the purposes of, and within the meaning of, the Loan Regulations means India;
- (k) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (l) "Memorandum and Articles" means the memorandum and articles of association of the Borrower, as amended from time to time;
- (m) "PAM" means the project administration manual dated September 2018 and agreed between the Borrower and ADB, as updated from time to time in accordance with respective administrative procedures of the Borrower and ADB;
- (n) "PFR" means the periodic financing request submitted or to be submitted by the Borrower, and the Guarantor, for the purposes of each loan under

the Facility, and for the purpose of this Loan Agreement means the PFR dated 14 March 2018;

- (o) "PMU" means the project management unit maintained by the Borrower in accordance with paragraphs 1 to 3 of Schedule 3 to this Loan Agreement and the PAM;
- (p) "Procurement Guidelines" means ADB's Procurement Guidelines (2015, as amended from time to time);
- (q) "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means the Borrower or any legal successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;
- (r) "Qualified Enterprise" means an enterprise, which satisfies the selection criteria set out in paragraph 5(b) of Schedule 3 to this Loan Agreement, to which the Borrower proposes to make or has made a Subloan, and may include a special purpose vehicle that is incorporated in India;
- (s) "Qualified Subproject" means either a SIFTI Qualified Subproject or a TFS Qualified Subproject, to be carried out by a Qualified Enterprise utilizing the proceeds of a Subloan;
- (t) "RBI" means the Reserve Bank of India;
- (u) "RRP" means the ADB's Report and Recommendation of the President to the Board of Directors;
- (v) "Rupee" or the sign "Rs." each means the Indian rupee, the lawful currency of India;
- (w) "SIFTI" means the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called the India Infrastructure Finance Company Limited, issued on 4 January 2006 and as amended from time to time;
- (x) "SIFTI Qualified Subproject" means a subproject which meets the eligibility criteria as set out in SIFTI;
- (y) "SPS" means ADB's Safeguard Policy Statement (2009);
- (z) "Subloan" means a loan made or proposed to be made by the Borrower out of the proceeds of the Loan to a Qualified Enterprise for a Qualified Subproject;
- (aa) "Subloan Agreement" means a loan agreement entered into by and between the Borrower and a Qualified Enterprise in relation to a Subloan;
- (bb) "TFS" means the Takeout Finance Scheme for Financing Viable Infrastructure Projects, effective 16 April 2010 and as amended from time to time;

- (cc) "TFS Qualified Subproject" means a subproject which meets the eligibility criteria as set out in TFS;
- (dd) "Tranche 1" means tranche 1 under the Facility;
- (ee) "Withdrawal Request" means a request by the Borrower to withdraw a portion of the principal amount of the Loan; and
- (ff) "Works" means construction or civil works to be financed out of the proceeds of a Subloan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding consulting services.

ARTICLE II

The Loan

Section 2.01. ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of three hundred million Dollars (\$300,000,000), to be disbursed through Drawdown Amounts.

Section 2.02. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less all Drawdown Amounts disbursed from time to time) commencing 60 days after the date of this Loan Agreement and shall be payable in Dollars semiannually on 01 May and 01 November in each year.

Section 2.03. Each disbursement of a Drawdown Amount under this Loan Agreement shall be subject to the additional terms and conditions set out in Schedule 1 to this Loan Agreement.

Section 2.04. Except as ADB may otherwise agree, if a Subloan or any part thereof shall be repaid to the Borrower in advance of maturity, or if a Subloan or any part thereof shall be sold, transferred, assigned or otherwise disposed of by the Borrower, the Borrower may utilize the proceeds thereof for making further Subloans to Qualified Enterprises for Qualified Subprojects under the terms of this Loan Agreement.

Section 2.05. All payment and repayment obligations of the Borrower are independent of the timely and due performance by Qualified Enterprises of similar obligations under each Subloan Agreement, and shall be fulfilled by the Borrower solely in accordance with the provisions of this Loan Agreement. The Borrower shall indemnify ADB for any costs, expenses, charges or fees incurred as a result of the Borrower's failure to perform any of its payment or repayment obligations in a timely manner in accordance with this Loan Agreement. Such indemnity amount shall, if applicable, shall be treated as a charge on the Loan which shall be payable by the Borrower upon demand by ADB.

ARTICLE III

Description of Project; Use of Proceeds of the Loan

Section 3.01. (a) The Project for which the Loan is made is the financing by the Borrower of specific subprojects by making Subloans for Qualified Subprojects to Qualified Enterprises, in accordance with the FFA, SIFTI or TFS (as applicable), the Companies Act, 2013, and this Loan Agreement.

(b) In the event of any change in SIFTI or TFS, the Guarantor, the Borrower and ADB will assess the potential impact on the Facility and evaluate any change in scope, amendment or continuation, as appropriate, of the Project.

Section 3.02. (a) Except as ADB may otherwise agree, the proceeds of the Loan shall be used only for making Subloans to Qualified Enterprises for Qualified Subprojects approved under paragraph 6 of Schedule 3 to this Loan Agreement, and shall be applied exclusively to the cost of Goods and Works and other items of expenditure required to carry out such Qualified Subprojects.

(b) The portion of the Loan available for any TFS Qualified Subproject shall not exceed 30% of the cost of such TFS Qualified Subproject. The portion of the Loan available for any SIFTI Qualified Subproject shall not exceed 20% of the cost of such SIFTI Qualified Subproject.

(c) To ensure compliance with the provisions of Section 4.02(b) of this Loan Agreement, the Borrower shall make a Subloan to a Qualified Enterprise for only (i) such SIFTI Qualified Subproject that involves procurement of Goods and Works from member countries of ADB in an amount at least equal to the size of the Subloan for the SIFTI Qualified Subproject; and (ii) such TFS Qualified Subproject for which the Qualified Enterprise certifies that Goods and Works of an amount at least equivalent to the Subloan were procured from member countries of ADB.

(d) Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, all Goods and Works in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 3.03. (a) Whenever the Borrower proposes to make a Subloan or Subloans for a Qualified Subproject in an aggregate amount exceeding thirty million Dollars (\$30,000,000), the Borrower shall, before submitting a Withdrawal Request, submit to ADB an application for approval of such Subloan in form and substance meeting the requirements thereof set forth in the PAM. No withdrawal shall be made in respect of a Subloan falling within the provisions of this subsection unless ADB shall have authorized withdrawals from the Loan Account.

(b) Whenever the Borrower has made, or proposes to make, a Subloan for a Qualified Subproject in an amount not exceeding the equivalent of the amount specified in subsection (a) hereinabove, the Borrower shall, before submitting a Withdrawal Request, furnish to ADB a statement in form and substance meeting the requirements thereof set forth in the PAM.

Section 3.04. Subject to Section 3.05 of this Loan Agreement, no withdrawals shall be made from the Loan Account for amounts expended for the cost of a sub-project prior to ADB's approval of the application described in Section 3.03(a) of this Loan Agreement, or receipt of the statement described in Section 3.03(b) of this Loan Agreement. For the avoidance of doubt, should such application or statement not include the required information, any funds which the Borrower may have lent for such sub-project shall not be recoverable from the Loan Account.

Section 3.05. Withdrawals from the Loan Account may be made for reimbursement of reasonable expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement, subject to a maximum amount equivalent to 20% of the Loan amount; provided (a) such expenditures shall have been incurred in compliance with the Procurement Guidelines and the SPS; and (b) suitable provisions shall be included in any existing subloans to reflect the provisions of Article IV of this Loan Agreement.

Section 3.06. Except as provided under this Loan Agreement and except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

Section 3.07. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 26 September 2023 or such other date as may from time to time be agreed between ADB and the Borrower.

ARTICLE IV

Subloans

Section 4.01. (a) Each Subloan shall carry interest at an appropriate rate as provided in paragraph 14(a) of Schedule 3 to this Loan Agreement, and shall be made on terms whereby the Borrower shall obtain, by a written agreement with the Qualified Enterprise in form acceptable to ADB, rights adequate to protect the interests of ADB and the Borrower. Each Subloan Agreement shall appropriately reflect, as obligations of the Qualified Enterprise in respect of the Qualified Subproject, the obligations of the Borrower under this Loan Agreement.

(b) Prior to disbursement of Subloans, the Borrower shall review the utilization report for each Qualified Subproject as verified by a chartered accountant, and which shall be accompanied by an engineer's report.

Section 4.02. Without limiting the generality of the foregoing provisions of Section 4.01 of this Loan Agreement and in addition to any other provisions which a prudent lender would request, each Subloan Agreement shall include provisions to the effect that:

- (a) the Qualified Enterprise shall carry out and operate the Qualified Subproject with due diligence and efficiency and in accordance with sound applicable technical, business and development practices, including maintenance of adequate accounts and records;

- (b) the proceeds of the Subloan shall be used only for procurement in member countries of ADB, in accordance with procedures acceptable to ADB, of Goods which are produced in and supplied from, and Works which are supplied from, such countries;
- (c) the Goods and Works shall be used exclusively in the carrying out of the Qualified Subproject;
- (d) ADB and the Borrower shall each have the right to inspect such Goods and Works, the Qualified Enterprise, the Qualified Subproject, and any relevant records and documents;
- (e) the Qualified Enterprise shall carry out and operate the Qualified Subproject in compliance with the SPS as described in paragraphs 7 to 12 of Schedule 3 to this Loan Agreement;
- (f) the Qualified Enterprise shall take out and maintain with responsible insurers insurance against such risks and in such amounts as shall be consistent with sound business practices, and, without any limitation upon the foregoing, such insurance shall cover hazards incident to the acquisition, transportation and delivery of Goods to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such Goods;
- (g) ADB and the Borrower shall each be entitled to obtain all such information as each shall reasonably request relating to the Subloan, the Goods and Works, the Qualified Subproject, the Qualified Enterprise and other related matters; and
- (h) the Borrower shall be entitled to suspend or terminate further access by the Qualified Enterprise to the use of the proceeds of the Loan upon failure by the Qualified Enterprise to perform its obligations under its agreement with the Borrower.

Section 4.03. The Borrower shall promptly and effectively exercise its rights in relation to each Qualified Subproject in accordance with the standards of a prudent lender and in such manner as to protect the interests of ADB and the Borrower.

ARTICLE V

Particular Covenants

Section 5.01. (a) The Borrower shall carry out the Project and conduct its business with due diligence and efficiency and in conformity with applicable sound banking, administrative, financial and business practices.

(b) In the carrying out of the Project and in the conduct of its business, the Borrower shall perform all the obligations set forth in Schedule 3 to this Loan Agreement.

Section 5.02. The Borrower shall at all times take adequate measures to protect itself against any loss resulting from changes in the rate of exchange between Rupees and the currency or currencies in which the Borrower's outstanding money obligations will have to be met.

Section 5.03. The Borrower shall not make a Subloan to any Qualified Enterprise unless such Qualified Enterprise has at its disposal, or has made appropriate arrangements to obtain as and when required, all funds, including adequate working capital, and other resources which are required by such Qualified Enterprise for the carrying out of its Qualified Subproject in respect of which the Subloan is to be made.

Section 5.04. The Borrower shall maintain records and accounts adequate to record the progress of each Qualified Subproject (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, the operations and financial condition of the Borrower as part of the records and financial statements referred to in Section 7.03 of the Loan Regulations.

Section 5.05. (a) The Borrower shall furnish to ADB all such reports and information as ADB shall reasonably request concerning the Qualified Enterprises, the Qualified Subprojects (including costs thereof), and the Subloans as part of the reports and information referred to in Section 7.04(a) of the Loan Regulations.

(b) The Borrower shall include information on the execution of the Qualified Subprojects and their costs as part of the report referred to in Section 7.04(c) of the Loan Regulations.

Section 5.06. (a) The Borrower shall (i) provide its annual financial statements prepared in accordance with national financing reporting standards acceptable to ADB; (ii) have its financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with International Standards on Auditing or the national equivalent acceptable to ADB; (iii) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on the financial statements and compliance with the financial covenants of this Loan Agreement) and a management letter (which sets out the deficiencies in the internal controls of the Borrower that were identified in the course of the audit, if any); and (iv) furnish to ADB, no later than 1 month after the board of directors of the Borrower has approved them, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Borrower and its financial affairs where they relate to the Project with the auditors appointed by the Borrower pursuant to subsection (a)(ii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Borrower, unless the Borrower shall otherwise agree.

(c) The Borrower shall also (i) provide an annual statement of utilization of funds, which shall be prepared using the same accounting principles and guidelines as the financial statements referred to in subparagraph (a)(i) above; (ii) have such statement audited

annually by independent auditors whose qualifications, experience and terms of reference are the same as those referred to in subparagraph (a)(ii) above; (iii) as part of each such audit, have the auditors prepare a report (which includes the auditors' opinion on (A) whether the statement presents fairly, in all material respects, or gives a true and fair view of the Qualified Subprojects funded by Drawdown Amount(s) in accordance with the national financial reporting standards; (B) the use of the Drawdown Amount(s) received during the year for the purposes of the Project, ; and (C) if applicable, the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under statement of expenditure procedures in accordance with ADB's Loan Disbursement Handbook and this Loan Agreement) and a management letter (which sets out the deficiencies in the internal controls of the Project that were identified in the course of the audit, if any); and (iv) furnish to ADB, no later than 6 months after the close of the fiscal year to which they relate, copies of such audited statement of utilization of funds, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(d) ADB shall disclose the audited statement of utilization of funds within 14 days of the date of ADB's confirmation of its acceptability by posting it on ADB's website.

(e) The Borrower shall also (i) provide a semiannual statement of utilization of funds, which shall be prepared using the same accounting principles and guidelines as the financial statements referred to in subparagraph (a)(i) above; and (ii) promptly furnish to ADB such other information concerning such statement as ADB shall from time to time reasonably request.

Section 5.07. The Borrower shall enable ADB's representatives to inspect any Qualified Enterprise, any Qualified Subproject, the Goods and Works, and any relevant records and documents maintained by the Borrower.

Section 5.08. (a) The Borrower shall, promptly as required, take all action within its powers to maintain its corporate existence, to carry on its operations and to acquire, maintain and renew all rights, properties, powers, privileges and franchises which are necessary in the carrying out of the Project or in the conduct of its business.

(b) The Borrower shall at all times conduct its business in accordance with sound applicable technical, financial, and business practices, and under the supervision of competent and experienced management and personnel.

(c) Except as ADB may otherwise agree, the Borrower shall not sell, lease or otherwise dispose of any of its assets which shall be required for the efficient carrying on of its operations or the disposal of which may prejudice its ability to perform satisfactorily any of its obligations under this Loan Agreement.

(d) The Borrower shall keep ADB informed of the establishment or acquisition by it of any subsidiaries.

Section 5.09. The Borrower shall promptly notify ADB of any proposal to amend, suspend or repeal any provision of its Memorandum and Articles, or SIFTI or TFS or any provision thereof, which, if implemented, could adversely affect the carrying out of the Project. The Borrower shall afford ADB an adequate opportunity to comment on such proposal prior to taking any affirmative action thereon.

ARTICLE VI

Suspension; Acceleration of Maturity

Section 6.01. The following are specified as additional events for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 9.01(m) of the Loan Regulations:

- (a) the Memorandum and Articles, or any provision thereof, shall have been repealed, suspended, amended or modified in any manner that in the reasonable opinion of ADB will or may adversely affect the carrying out of this Loan Agreement; and
- (b) SIFTI or TFS or any provision thereof, shall have been repealed, suspended, amended or modified in any manner that in the reasonable opinion of ADB will or may adversely affect the carrying out of this Loan Agreement.

Section 6.02. The following are specified as additional events for acceleration of maturity for the purposes of Section 9.07(a)(iv) of the Loan Regulations: any of the events specified in Section 6.01 of this Loan Agreement shall have occurred.

ARTICLE VII

Effectiveness

Section 7.01. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of the Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

ARTICLE VIII

Miscellaneous

Section 8.01. The Chairman and Managing Director of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 8.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines
Facsimile Numbers:

(632) 636-2444
(632) 636-2337

For the Borrower

India Infrastructure Finance Company Limited
8th Floor, Hindustan Times Building
18 & 20, Kasturba Gandhi Marg
New Delhi – 110001
India

Facsimile Number:

91-11-23730251.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

ASIAN DEVELOPMENT BANK

By 
KENICHI YOKOYAMA
Country Director

INDIA INFRASTRUCTURE FINANCE
COMPANY LIMITED

By 
ANIL TANEJA
Chief General Manager

SCHEDULE 1**Additional Terms Applicable to Drawdown Amounts**

1. Pursuant to Section 2.03 of this Loan Agreement, the following terms shall apply to each Drawdown Amount:

- (a) The portion of the Loan that is disbursed through Drawdown Amounts has a principal repayment period of 15.5 years, and a grace period as defined in subsection (b) hereinafter.
- (b) The term "grace period" as used in subsection (a) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in the Attachment to this Schedule 1.
- (c) The Borrower shall pay to ADB interest on each Drawdown Amount outstanding from time to time at a rate for each Interest Period equal to the sum of: (i) LIBOR; and (ii) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations.
- (d) Interest and other charges on each Drawdown Amount shall be payable semiannually on the dates set forth in Section 2.02 of this Loan Agreement.
- (e) The Borrower shall repay the portion of the Loan that is disbursed through Drawdown Amounts in accordance with the provisions of the Attachment to this Schedule 1.
- (f) The Borrower may at any time request any of the following Conversions of the terms of portion of the Loan that is disbursed in Dollars in order to facilitate prudent debt management:
 - (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding, to an Approved Currency;
 - (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and
 - (iii) the setting of limits on the Floating Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Floating Rate.
- (g) Any conversion requested pursuant to subsection (f) hereinabove that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(f) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Drawdown Amounts and the percentage of the total Drawdown Amounts payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the share of Drawdown Amounts repayable by the Borrower on each Principal Payment Date shall be determined by ADB by multiplying: (a) the total amount of Drawdown Amounts outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Payment Due	Installment Share (Expressed as a % based on 5% annuity)
1 May 2023	2.173900
1 November 2023	2.228248
1 May 2024	2.283954
1 November 2024	2.341053
1 May 2025	2.399579
1 November 2025	2.459568
1 May 2026	2.521058
1 November 2026	2.584084
1 May 2027	2.648686
1 November 2027	2.714903
1 May 2028	2.782776
1 November 2028	2.852345
1 May 2029	2.923654
1 November 2029	2.996745
1 May 2030	3.071664
1 November 2030	3.148455
1 May 2031	3.227167
1 November 2031	3.307846
1 May 2032	3.390542
1 November 2032	3.475306
1 May 2033	3.562188
1 November 2033	3.651243
1 May 2034	3.742524
1 November 2034	3.836087
1 May 2035	3.931989
1 November 2035	4.030289
1 May 2036	4.131046
1 November 2036	4.234322
1 May 2037	4.340181
1 November 2037	4.448685
1 May 2038	<u>4.559913</u>
TOTAL	100.000000

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the share of Drawdown Amounts repayable by the Borrower on each Principal Payment Date shall be determined as follows:

- (a) To the extent that any Drawdown Amounts are outstanding as of the first Principal Payment Date, the Borrower shall repay the amounts withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.
- (b) Any withdrawal of Drawdown Amounts after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. Withdrawals of Drawdown Amounts made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this attachment to Schedule 1, upon a Currency Conversion of all or any portion of the Drawdown Amounts to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Drawdown Amounts outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 2**Procurement of Goods and Works**General

1. The procurement of Goods and Works shall be subject to and governed by the Procurement Guidelines as applicable to financial intermediaries.
2. All terms used in this Schedule and not otherwise defined in this Loan Agreement have the meanings provided in the Procurement Guidelines.

Procurement

3. The Borrower shall ensure that each Qualified Enterprise undertakes, or has undertaken, procurement of Goods and Works for Qualified Subprojects with due attention to economy and efficiency and adopts or has adopted, to the extent possible, internationally competitive bidding procedures when the amount of the investment is unusually large and economy and efficiency can be gained by following such procedures; and (b) ensure that the Goods and Works to be financed by Subloans shall be purchased at a reasonable price, account also being taken of relevant factors such as time of delivery, efficiency and reliability of the Goods, and their suitability for the Qualified Subproject.
4. For build operate and transfer projects and their variants, if the Qualified Enterprise or engineering, procurement, and construction contractor is selected through competitive bidding among international entities in accordance with procedures acceptable to ADB, such Qualified Enterprise or contractor may apply its own procedures for procurement provided that such procurement is for Goods and Works supplied from, or produced in, ADB member countries. To this end, the Qualified Enterprise shall ensure that the amount of procurement of Goods and Works from member countries of ADB is at least equal to the size of the Subloan for the Qualified Subproject.

Industrial or Intellectual Property Rights

5. (a) The Borrower shall cause Qualified Enterprises to ensure that all Goods and Works procured by the Qualified Enterprise (including without limitation all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party.

(b) The Borrower shall cause Qualified Enterprises to ensure that all contracts for the procurement of Goods and Works contain appropriate representations, warranties and, if appropriate, indemnities from the contractor or supplier with respect to the matters referred to in subparagraph (a) hereinabove.

SCHEDULE 3

Execution of Project; Financial Matters

Implementation Arrangements

1. (a) The Borrower shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

(b) The Borrower shall ensure that the PMU shall monitor the screening and selection of Qualified Subprojects in consultation with the consortium of lenders, and also the day-to-day implementation. The PMU shall also be responsible for ensuring that all Qualified Subprojects are in compliance with the ESSF, the PAM, the safeguards requirements of this Schedule 3 and the Guarantor's national and state level policies, laws and regulations relating to the environment, resettlement, and indigenous peoples.

2. The PMU shall be comprised of specialist staff with expertise in risk management and project advisory work. A senior officer, reporting directly to the chairman and/or managing director of the Borrower, shall be appointed for ensuring compliance with the ESSF, the PAM, and the safeguards requirements of this Schedule 3. The PMU shall also have a dedicated financial/accounting officer to monitor Project accounts and process claims. The Borrower shall also be responsible for developing and implementing an investment program performance monitoring system.

3. The Borrower shall further develop and maintain the capacity of the PMU staff to perform the responsibilities of the PMU, including developing and maintaining specialist capacity and expertise to conduct and implement environmental and social safeguards due diligence by: (a) developing and training existing staff with such capacity and expertise; and/or (b) engaging staff or consultants with such capacity or expertise.

4. The board of directors of the Borrower shall provide policy direction and strategic oversight for the Project.

Eligibility and Selection Criteria

5. (a) Each Qualified Enterprise and Qualified Subproject shall satisfy at all times the sub-borrower and sub-project eligibility and selection criteria as set out in SIFTI (for a SIFTI Qualified Subproject) or TFS (for a TFS Qualified Subproject), which includes, *inter alia*, appraisal by a specialized and designated appraisal agency for technical, economic, and financial viability, and review and acceptance of the results of the appraisal by the lead bank.

(b) Without limitation to clause (a) of this paragraph, each Qualified Enterprise shall:

- (i) be or have been selected in accordance with ADB's Procurement Guidelines;
 - (ii) have adequate resources and financial capability to raise resources to complete and operate the relevant Qualified Subproject successfully;
 - (iii) not be in default on any prior loan from the Borrower or from any of the participating members of the consortium of lenders;
 - (iv) be able to provide security as required by the consortium of lenders;
 - (v) maintain appropriate financial records of income and expenditure to the satisfaction of the Borrower and ADB;
 - (vi) ensure that each Qualified Subproject shall (A) not have significant adverse environmental impacts that are irreversible, diverse, or unprecedented; (B) be unlikely to have significant involuntary resettlement impacts; and/or (C) be unlikely to have impacts on indigenous peoples; and
 - (vii) comply, and cause each Qualified Subproject to comply, with SPS as it applies to financial intermediary category B or C subprojects, the ESSF and the Guarantor's national and state level policies, laws and regulations relating to the environment, resettlement and indigenous peoples.
- (c) Notwithstanding the generality of clauses (a) and (b) hereinabove, the ADB loan available to the Borrower for TFS Qualified Subprojects shall not exceed 40% of the Loan amount.

Approval Procedure

6. (a) The Borrower shall ensure that all Qualified Subprojects subject to Section 3.03(a) of this Loan Agreement are submitted to ADB for prior review and approval in accordance with paragraph 5 of Schedule 3 of the FFA.

(b) Before any Qualified Subproject is approved for financing, the Borrower shall:

- (i) review the preliminary designs and cost estimates as approved by the lending consortium;
- (ii) use the ESSF and the PAM to screen, and use templates provided by ADB to categorize, the significance of potential environmental, indigenous peoples or involuntary resettlement impacts associated with such Qualified Subproject, and ensure that the Qualified Subproject does not involve any environmental or involuntary resettlement impacts which can be categorized as Category A

under the SPS or indigenous peoples impacts which can be categorized as Category A or B under the SPS;

- (iii) ensure that the Qualified Subproject (A) does not involve any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS, and (B) complies with the Guarantor's national and state level policies, laws and regulations relating to the environment, involuntary resettlement and indigenous peoples;
- (iv) undertake due diligence in accordance with the requirements set forth in the ESSF and the PAM, and where applicable laws and regulations of the Guarantor relating to the environment do not require an environmental assessment to be undertaken, identify the potentially significant impacts and demonstrate that they are adequately mitigated;
- (v) submit to ADB its safeguards compliance report or due diligence report with respect to safeguards including copies of any safeguards documents; and
- (vi) submit the safeguards compliance certificate to ADB.

(c) If any non-compliance is found during ADB's review of the documents, ADB shall request a corrective action plan, which shall be prepared by the Borrower and submitted to ADB for approval.

Safeguards

Environment

7. The Borrower shall implement the environmental safeguard framework as set out in the ESSF in accordance with its terms. The Borrower shall ensure that each Qualified Subproject (a) is implemented and undertaken in accordance with the terms and conditions of the ESSF, and (b) is in compliance with the Guarantor's national and state level policies, laws and regulations relating to the environment, health and safety and the SPS. The Borrower shall ensure that for each Qualified Subproject, environmental assessments, as applicable, such as the initial environmental examination, the environmental impact assessment, and the environment management plan, or an environmental audit including a corrective action plan, if required, are submitted for ADB's prior approval.

8. The Borrower shall cause each Qualified Enterprise to ensure that the Qualified Subproject is undertaken in compliance with the Guarantor's national and state level policies, laws and regulations relating to the environment, SPS, and the terms of the ESSF.

9. The Borrower shall cause each Qualified Enterprise to ensure that all necessary mitigation measures shall have been undertaken to mitigate any adverse environmental impacts associated with the Qualified Subproject.

Resettlement

10. The Borrower shall implement the social safeguards framework as set out in the ESSF in accordance with its terms. The Borrower shall ensure that each Qualified Subproject which involves land acquisition and has resettlement impacts is implemented and undertaken in accordance with ESSF, and a resettlement plan is submitted to ADB for approval before it approves the Qualified Subproject. For Qualified Subprojects involving facilities and/or activities that already exist or are under construction before the Borrower's involvement, the Borrower shall ensure that a social compliance audit is conducted. The audit report (with corrective action plan, if any) constitutes the resettlement plan. The Borrower shall also ensure that adequate numbers of staff are trained and deployed to fully implement and comply with the ESSF.

11. The Borrower shall cause each Qualified Enterprise to ensure that (a) each Qualified Subproject which involves land acquisition and has resettlement impacts is undertaken in compliance with the Guarantor's national and state level policies, laws and regulations relating to resettlement, the SPS, and the ESSF, (b) all land and rights-of-way required for a Qualified Subproject are obtained in a timely manner, (c) the resettlement plan is implemented in accordance with its terms, (d) all compensation and resettlement assistance is given to the affected persons prior to their dispossession and displacement and commencement of civil works, (e) the resettlement plan is updated upon completion of the detailed design and submitted to ADB for approval prior to commencement of Works, or for Qualified Subprojects involving facilities and/or activities that already exist or are under construction before the Borrower's involvement, social compliance audits are submitted to ADB, (f) adequate staff and resources are committed to supervising and monitoring implementation of the resettlement plan, and (g) experienced and qualified experts or qualified non-government organizations acceptable to ADB and the Borrower are engaged by the Qualified Enterprise to monitor and evaluate results of implementation of resettlement plans, and the reports are forwarded to ADB and the Borrower as required under the ESSF.

Indigenous Peoples

12. The Borrower shall cause each Qualified Enterprise to ensure that Qualified Subprojects do not adversely affect vulnerable groups, such as indigenous peoples, and in the event of any impact or their involvement, the Borrower shall cause each Qualified Enterprise to implement the social safeguards framework as set out in the ESSF in accordance with its terms to ensure compliance with the SPS and the terms of the ESSF.

Financial

13. Except as otherwise agreed with ADB, the Borrower shall:
- (a) comply, as of its most recent audited financial statements, with RBI's regulatory capital minimum for Nonbank Finance Companies – Infrastructure Finance Companies (total regulatory capital ratio of 12% with a minimum tier 1 capital ratio of 8% or as the RBI may revise); and
 - (b) have a positive net income as of the date of its most recent audited financial statements.

Institutional Matters

14. The Borrower shall:
- (a) lend to Qualified Subprojects on market-based terms that are adequate to cover all associated costs and risks to include any foreign exchange risk premium;
 - (b) continue quarterly risk management reporting to its risk committee;
 - (c) within twelve months of the Effective Date, (i) complete in all material respects the integration of its management information system; and (ii) undertake a gap analysis of its risk management and submit the recommendations to its board of directors; and
 - (d) within six months of the Effective Date, segregate responsibilities for internal auditor and risk management.
15. The Borrower shall develop and maintain the capacity of ESMU staff to perform the responsibilities of the ESMU at a level that is commensurate with the overall operations of the Borrower from time to time, including developing and maintaining specialist capacity and expertise to conduct and implement environmental and social safeguards due diligence by (a) developing and training existing staff with such capacity and expertise, and/or (b) engaging staff or consultants with such capacity or expertise.
16. The Borrower shall at all times continue to fully and adequately staff the ESMU and ensure that all necessary budgetary and human resources are made available to fully implement the ESSF, PAM and grievance redress mechanism.

Governance; Anticorruption

17. The Borrower shall (a) comply with the Anticorruption Policy and acknowledge that ADB reserves the right to examine and review any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Qualified Subprojects; (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation; and (c) ensure that accountability and transparency are maintained in its operations through stakeholder meetings and publication of progress reports throughout the duration of the Project, and internal procedures and controls are instituted, maintained, and complied with to prevent any corrupt, fraudulent, collusive, or coercive practices and to ensure conformity with the Anticorruption Policy. The Borrower shall ensure that all contracts financed by ADB in connection with the Qualified Subprojects specify the right of ADB to review and examine the records and accounts of subborrowers, suppliers, and contractors as they relate to the Qualified Subprojects. The Borrower shall ensure that its annual report to its board of directors and ADB includes a report upon and discussion of the implementation of its Corporate Governance Framework.

Labor Standards

18. The Borrower shall ensure that Qualified Subprojects under the Project follow all applicable labor laws of the Borrower and the Guarantor and that these further include provisions to the effect that contractors (i) carry out HIV/AIDS awareness programs for labor and disseminate information at worksites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; and (ii) follow and implement all statutory provisions on labor (including not employing or using children as labor, equal pay for equal work), health, safety, welfare, sanitation, and working conditions. Such contracts shall also include clauses for termination in case of any breach of the stated provisions by the contractors.

Gender and Development

19. The Borrower shall ensure that the principles of gender equity aimed at increasing Project benefits and impacts on women in the Project area consistent with ADB's Policy on Gender and Development (1998) are followed during implementation of the Project, including (a) equal pay to men and women for work of equal value; (b) enabling working conditions for women workers; and (c) taking necessary actions to encourage women living in the Project area to participate in the design and implementation of Project activities.

Combating Money Laundering and Financing of Terrorism

20. The Borrower shall:

- (a) comply with applicable laws and regulations of the Guarantor on combating money laundering and financing of terrorism and ensure that Loan proceeds are not used, directly or indirectly, in money laundering or financing of terrorism;
- (b) formulate and implement internal control procedures, including customer due diligence procedures, to prevent violation of subparagraph (a) hereinabove; and
- (c) promptly inform the Guarantor and ADB if there is any violation or potential violation of subparagraph (a) hereinabove. In the event that ADB informs the Borrower of its concern that there has been such an alleged violation, the Borrower shall: (i) cooperate in good faith with ADB and its representatives so that ADB can determine whether such a violation has occurred; (ii) respond promptly and in reasonable detail to any query from ADB; and (iii) furnish documentary support for such response upon ADB's request.

Undertakings

21. The Borrower shall carry out the undertakings provided for under Schedule 6 to the FFA in a timely manner.

Performance Monitoring and Evaluation

22. Within 6 months of the Effective Date, the Borrower shall establish baseline data for select indicators under the investment program performance monitoring system acceptable to ADB. The board of directors of the Borrower shall review Project performance semi-annually and, without limiting the generality of Section 7.04 of the Loan Regulations, shall submit to ADB a provisional progress report by the tenth day of the month following each semi-annual review, a final progress report within fifteen days of Borrower's Board approval, and a completion report within 3 months of the completion of all Qualified Subprojects. Included in each semi-annual progress report shall be a survey showing implementation progress against each indicator, and reconciliation of INR Drawdown Amounts, if any. The Borrower shall submit to ADB, within 3 months of the end of each fiscal year, an annual safeguards monitoring report showing implementation status of the ESSF and grievance redress mechanism in the 12 months prior.

Project Review

23. ADB shall undertake annual review missions and tripartite reviews chaired by the Guarantor. In addition, a midterm review shall be conducted by ADB and the Borrower in 2020.

Grievances

24. The Borrower shall ensure that towards smooth implementation of the Project, grievances if any from stakeholders relating to implementation or use of funds for Qualified Subprojects are addressed effectively and efficiently in compliance with the Guarantor's policies, laws and regulations and are consistent with SPS throughout the tenor of the Facility, and that it maintains information on its grievance redress mechanism on its website.