

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 9094-IN

Loan Agreement

(Tamil Nadu Housing and Habitat Development Project)

between

INDIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between INDIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower the amount of fifty million Dollars (\$50,000,000), as such amount may be converted from time to time through a Currency Conversion ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.
- 2.08. (a) If on any given day, the Total Exposure exceeds the Standard Exposure Limit (as said terms are defined in sub-paragraphs (b)(ii) and (b)(iii) of this Section), the Borrower shall pay to the Bank a surcharge at the rate of one half of one percent (0.5%) per annum of the Allocated Excess Exposure Amount (as defined in sub-paragraph (b)(i) of this Section) for each said day ("Exposure Surcharge"). The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

(b) For purposes of this Section the following terms have the meanings set forth below:

- (i) "Allocated Excess Exposure Amount" means for each day during which the Total Exposure exceeds the Standard Exposure Limit, the product of: (A) the total amount of said excess; and (B) the ratio of all (or, if the Bank so determines, a portion) of the Loan to the aggregate amount of all (or the equivalent portions) of the loans made by the Bank to the Borrower, and to other borrowers guaranteed by the Borrower that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank.
- (ii) "Standard Exposure Limit" means the standard limit on the Bank's financial exposure to the Borrower which, if exceeded, would subject the Loan to the Exposure Surcharge, as determined from time to time by the Bank.
- (iii) "Total Exposure" means for any given day, the Bank's total financial exposure to the Borrower, as reasonably determined by the Bank.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety days (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is any of the following officials: Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs of the Ministry of Finance of the Borrower.
- 5.02. For purposes of Section 10.01 of the General Conditions: (a) the Borrower's address is:

Secretary
Department of Economic Affairs
Ministry of Finance, Government of India
North Block
New Delhi 110001, India; and

(b) the Borrower's Electronic Address is:

Facsimile: E-mail:

+91-11-23094075 secy-dea@nic.in

5.03. For purposes of Section 10.01 of the General Conditions: (a) the Bank's address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank's Electronic Address is:

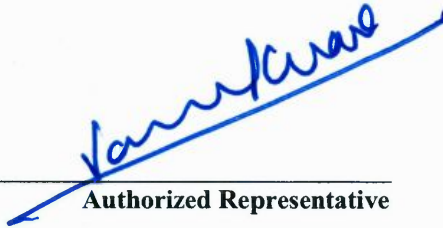
Telex: Facsimile:

248423(MCI) or 1-202-477-6391
64145(MCI)

AGREED as of the Signature Date.

INDIA

By


Authorized Representative

Name: SAMEER KUMAR KHARE

Title: ADDITIONAL SECRETARY

Date: JUNE 29, 2020

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By


Authorized Representative

Name: SUMITA GULYANI

Title: ACTING COUNTRY DIRECTOR, INDIA

Date: JUNE 29, 2020

SCHEDULE 1

Project Description

The objective of the Project is to strengthen the housing sector institutions of Tamil Nadu for increased and sustainable access to affordable housing.

The Project consists of the following parts:

Part 1. Enabling private sector participation in affordable urban housing provision

Providing equity to TNSF for the implementation of affordable housing Subprojects.

Part 2. Strengthening Tamil Nadu's urban housing institutions for enhanced sustainability

- (a) Technical support to diversify and improve housing programs and planning solutions
 - (i) Providing technical assistance to TNSCB, including by: (A) improving the institutional and regulatory framework, and business procedures for housing institutions; (B) enhancing sustainability of the existing housing programs; (C) improving targeting and eligibility criteria; (D) designing new housing programs; (E) promoting housing finance for EWS households from affordable housing finance companies, small finance banks, non-banking financial companies and microfinance institutions; and (F) carrying out additional technical support to improve the performance of housing institutions.
 - (ii) Providing technical assistance to strengthen CMDA's analytical and coordination capacities for the preparation of a new master plan for Chennai; and
- (b) Technical assistance support for innovations in affordable housing finance
 - (i) Providing technical assistance to TNIFMC, by supporting tools and innovation towards leveraging external capital in affordable housing and providing capacity building support to pilot the implementation of these tools.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Financial Arrangements.

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity in accordance with the Borrower's standard arrangements for developmental assistance to the States of India.
2. Notwithstanding the provisions of the preceding paragraph, in the event of a conflict between the Borrower's standard arrangements for developmental assistance to the States of India and the provisions of or referred to in this Agreement, the provisions of or referred to in this Agreement shall govern.
3. The Borrower shall exercise its rights under its standard arrangements for developmental assistance to the States of India in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive its rights or obligations under said arrangements.

- B. Safeguards.** The Borrower shall ensure, and cause the Project Implementing Entity to ensure, that the Project is carried out with due regard to appropriate health, safety, social, and environmental standards and practices, and in accordance with the provisions of Section I.C of the Schedule to the Project Agreement.

Section II. Project Monitoring Reporting and Evaluation

The Borrower shall ensure that the Project Implementing Entity furnishes to the Bank each Project Report not later than one (1) month after the end of each calendar semester, covering the calendar semester (six month-period).

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to: (a) finance Eligible Expenditures; and (b) pay: (i) the Front-end Fee; and (ii) each Interest Rate Cap or Interest Rate Collar premium; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Subscription of equity in TNSF for the financing of Subprojects under Part 1 of the Project	35,000,000	63%
(2) Goods, non-consulting services, consulting services, Incremental Operating Costs and Training for Part 2 of the Project	14,875,000	100%
(3) Front-end Fee	125,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium		Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	50,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed \$ 3,000,000 may be made for payments made prior to this date but on or after December 1, 2019, for Eligible Expenditures.
2. The Closing Date is June 30, 2025.

SCHEDULE 3

Commitment-Linked Customized Amortization Repayment Schedule

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share").

The Borrower shall repay the principal amount of the Loan as follows:

Principal Payment Date	Installment Share
April 15, 2024	2.5%
October 15, 2024	2.5%
April 15, 2025	2.5%
October 15, 2025	3%
April 15, 2026	3%
October 15, 2026	3%
April 15, 2027	3%
October 15, 2027	2.5%
April 15, 2028	1.5%
October 15, 2028	1.5%
April 15, 2029	2%
October 15, 2029	3%
April 15, 2030	3.5%
October 15, 2030	4%
April 15, 2031	4.5%
October 15, 2031	4.5%
April 15, 2032	4.5%
October 15, 2032	4%
April 15, 2033	4%
October 15, 2033	3.5%
April 15, 2034	3.5%
October 15, 2034	4%
April 15, 2035	4%
October 15, 2035	4%
April 15, 2036	3%
October 15, 2036	3%
April 15, 2037	3%
October 15, 2037	2%
April 15, 2038	2%
October 15, 2038	2%
April 15, 2039	2.5%
October 15, 2039	2.5%
April 15, 2040	2%

APPENDIX

Definitions

1. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. "Annual Work Plan and Budget" means the annual work plans and budgets prepared by the Project Implementing Entity with inputs from TNIFMC and TNSCB, in accordance with the provisions of Section II.B.1 of the Schedule to the Project Agreement.
3. "Applicable Environmental and Social Requirements" means the technical requirements applicable to the Sub-financing using the proceeds of the Loan supporting Part 1 of the Project, and which are comprised of: (a) applicable environmental and social national and local laws and regulations of the Borrower and the Project Implementing Entity, which may include national and local laws, municipal by-laws and other provisions regulating housing development and certification by relevant authorities (such as building safety), waste management, life and fire safety access to basic services such as water and sanitation; and (b) a prohibition to finance any Subproject which would qualify as an Excluded Activity.
4. "Beneficiary" means a legal entity, which may be a special purpose vehicle, which is eligible to receive, or has received a Sub-financing under Part 1 of the Project in accordance with the provisions of the Investment Operation Manual; and "Beneficiaries" means more than one such Beneficiary.
5. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. "Chennai" means the city of Chennai in Tamil Nadu.
7. "CMDA" means Chennai Metropolitan Development Authority.
8. "Disbursement Table" means the table included in Section III.A of Schedule 2 to this Agreement.
9. "Environmental and Social Management System" or "ESMS" means a systematic process for identifying, assessing and managing environmental and social risks and impacts associated with activities supported under Part 1 of the Project and managing exposure to such risks and impacts by TNIFMC in a manner that enables the Sub-financing to meet Applicable Environmental and Social Requirements, which systematic process contains the following core elements: (a) adequate environmental and social policies and procedures prepared by TNIFMC as amended from time to time; and (b) adequate capacity within TNIFMC to develop and maintain adequate policies, procedures, organizational structure, budget, and capacity for identifying, managing, monitoring and reporting on risks and impacts of activities supported under Part 1 of the Project; and (c) a structured grievance

redress framework, supported by a review mechanism, which is accessible to Beneficiaries, as well as TNIFMC's employees, vendors and the community at large.

10. "ESG Risk Mitigation Action Plan" means the environmental and social action plan developed by the Borrower to supplement the ESMS and to enable the activities supported under Part 1 of the Project to be carried out in compliance with the Performance Standards, as such action plan may be amended and supplemented from time to time with the consent of the Bank.
11. "Excluded Activity" means, individually, one of the activities listed in Sections I.C.2 of the Schedule to the Implementation Agreement, and "Excluded Activities" means, collectively, all such activities.
12. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing", dated December 14, 2018.
13. "HUDD" means Tamil Nadu's Housing and Urban Development Department, or any successor thereto.
14. "Implementation Agreement" means the Agreement, of the Signature Date, between the Bank and TNIFMC, with respect to the implementation of Part 1 of the Project. For the purpose of paragraph 67 of the Appendix to the General Conditions, the Implementation Agreement is included in the definition of Legal Agreement(s).
15. "Incremental Operating Costs" means the reasonable incremental expenses incurred by the Project Implementing Entity, TNSCB and TNIFMC, on account of the management, implementation, monitoring and/or evaluation of the Project, including, but not limited to: incremental staff salaries, per diem and allowances, office rent, office supplies, utilities, conveyance, travel and boarding/lodging allowances, operating and maintenance expenditures of office equipment and vehicles, bank charges, insurance, advertising, media projections, newspaper subscriptions, periodicals, and printing and stationary costs incurred for the purposes of Project activities; but excluding salaries, fees, honoraria, bonuses, and any other salary supplements of members of the Project Implementing Entity's civil service.
16. "Independent Investment Committee" means the independent committee established to select the Subprojects in which TNSF invests, referred to in Section I.A.1 of the Schedule to the Implementation Agreement.
17. "Investment Operation Manual" means TNIFMC's document entitled "Tamil Nadu Infrastructure Fund Management Corporation Limited – Investment Operation Manual" dated March 2020, in form and substance acceptable to the Bank, which contains the guidelines of TNIFMC, as asset management company for TNSF, to be complied with in deploying its funds and in managing and monitoring its investments, including eligibility criteria for Beneficiaries and Subprojects, and role of TNSF's Independent Investment Committee, as such document may be amended from time to time in accordance with Section I.D.2(b) of the Schedule to the Implementation Agreement.

18. "Performance Standards" means, collectively, the eight Performance Standards developed by the International Finance Corporation (IFC) that have been adopted by the Bank and the Association as the World Bank Performance Standards for Projects supported by the private sector for application to the Bank and the Association support for projects (or Parts thereof) that are designed, owned, constructed and/or operated by a private entity, in lieu of the World Bank's safeguard policies. The Performance Standards can be found in the Association's Operational Manual under OP/BP 4.03 (Performance Standards), at www.worldbank.org.
19. "PMU" means the management unit established by TNSCB for Part 2 of the Project, pursuant to Office Order from TNSCB dated March 23, 2020.
20. "Procurement Regulations" means, for purposes of paragraph 85 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.
21. "Project Implementing Entity" means the Borrower's State of Tamil Nadu, or any successor thereto.
22. "Project Operations Manual" means the Project Operations Manual for TNSCB's Respective Part of the Project, dated April 14, 2020, in form and substance acceptable to the Bank, which contains descriptions and guidelines relating to the institutional arrangements, management, financial management, environmental and social safeguards, procurement, monitoring and evaluation and risk management for the Project.
23. "Respective Part of the Project" means Part 1 of the Project when referring to TNIFMC's Respective Part of the Project, or Part 2 of the Project when referring to TNSCB's Respective Part of the Project.
24. "Safeguard Policies" means, the Operational Policies (OPs) and Bank Procedures (BPs) of the Bank, namely OP/BP 4.01 (Environmental Assessment), OP/BP 4.03 (Performance Standards); OP/BP 4.04 (Natural Habitats), OP/BP 4.09 (Pest Management), OP/BP 4.10 (Indigenous Peoples), OP/BP 4.11 (Physical Cultural Resources), OP/BP 4.12 (Involuntary Resettlement), OP/BP 4.36 (Forests), OP/BP 4.37 (Safety of Dams) and OP/BP 7.50 (International Waterways); they can be found at <https://policies.worldbank.org>.
25. "Signature Date" means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to "the date of the Loan Agreement" in the General Conditions.
26. "Steering Committee" means the steering committee to be established for the Project in accordance with Section I.A.1(a) of the Schedule to the Project Agreement.
27. "Sub-financing" means an investment, which can be in the form of debt or equity or a combination of both, extended or to be extended by TNIFMC on behalf of TNSF to an eligible Beneficiary for the financing of an eligible Sub-project, in accordance with the provision of Section I.B of the Schedule to the Project Agreement, Section I.B of the Schedule to the Implementation Agreement and the Investment Operation Manual.

28. "Sub-financing Instrument" means an agreement (or similar instrument) entered or to be entered into between TNIFMC on behalf of TNSF and an eligible Beneficiary for the provision of a Sub-financing, in accordance with the provisions of Section I.B.1(d) of the Schedule to the Project Agreement, Section I.B.2 of the Schedule to the Implementation Agreement and the Investment Operation Manual.
29. "Subproject" means an affordable housing subproject, implemented or to be implemented by a Beneficiary, under Part 1 of the Project; and "Subprojects" means, collectively more than one Subproject.
30. "Tamil Nadu" means the Borrower's State of Tamil Nadu.
31. "TNHB" means the Tamil Nadu Housing Board.
32. "TNIFMC" means Tamil Nadu Infrastructure Fund Management Corporation Limited, the asset management company managing, among other funds, TNSF, pursuant to an Investment Management Agreement dated February 2, 2018, between SBICAP Trustee Company Limited, as trustee, and TNIFMC, as investment manager.
33. "TNSCB" means Tamil Nadu Slum Clearance Board, an agency under the Tamil Nadu Housing and Urban Development Department of the Government of Tamil Nadu, in charge of planning, building and delivering affordable housing schemes on government-owned land.
34. "TNSF" means Tamil Nadu Shelter Fund, a housing investment trust fund established as *Category I Alternative Investment Fund - Social Venture Fund* pursuant to an Indenture of Trust dated February 2, 2018 between Tamil Nadu Housing Board as settlor, and SBICAP Trustee Company Limited, as trustee, under the provisions of the Indian Trusts Act, 1882, and registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
35. "Training" means the reasonable costs of training, workshops and conferences required for the Project and conducted in the territory of the Borrower and, subject to the Bank's prior approval, overseas, including training institutional and course fees, logistics expenses, rental of training facilities, purchase and publication of training materials, and travel and subsistence allowance for trainers and/or trainees.