

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7613-IN

Loan Agreement

**(Financing Public Private Partnership In Infrastructure Through Support
to the India Infrastructure Finance Company Limited Project)**

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

Dated October 13, 2009

LOAN AGREEMENT

AGREEMENT dated October 13, 2009, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED (“Borrower”).

Whereas the Borrower has also requested additional recipient-executed grant funds in an aggregate amount equivalent to five million Dollars towards the financing of component II of the project (“Project”) described in Schedule 1 to this Agreement, and whereas the Bank is committed to provide such grant funds to the extent of the amount stated.

Now therefore, 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) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, the amount of one billion one hundred and ninety five million Dollars (\$1,195,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement (“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 IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of

the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(d) of the General Conditions.

- 2.05. The Payment Dates are April 15 and October 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.07. (a) The Borrower may at any time request any of the following, namely Conversions of the terms of the Loan 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, withdrawn or unwithdrawn, 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 from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable 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 the Variable Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar, the Borrower shall pay any premium payable in accordance with Section 4.05(c) of the General Conditions.

ARTICLE III – PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV – REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following, namely the Memorandum and Articles of Association shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Borrower to perform any of its obligations under this Agreement.
- 4.02. The Additional Event of Acceleration consists of the following, namely that any event specified in Section 4.01 of this Agreement occurs.

ARTICLE V – EFFECTIVENESS; TERMINATION

- 5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI – REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower’s Representative is the Chairman and Managing Director of IIFCL.
- 6.02. The Bank’s Address is:

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

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-4776391

- 6.03. The Borrower’s Address is:

India Infrastructure Finance Company Limited
1201-1207 Naurang House
21, Kasturba Gandhi Marg
New Delhi - 110001
India

Facsimile:
91-11-23-73-63-55

AGREED at New Delhi, India, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ N. Roberto Zagha
Authorized Representative

INDIA INFRASTRUCTURE FINANCE
COMPANY LIMITED

By /s/ Pradeep Kumar
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to increase the availability of long-term financing for infrastructure public private partnerships (PPP) projects in India.

The Project consists of the following components:

I. Long-Term Finance to Infrastructure Projects

Provision of the Sub-loans by the Borrower to the Sub-borrowers for the purpose of financing the Sub-projects.

II. Capacity Building and Project Implementation

A. Strengthening the Borrower's institutional capacity, through the following:

- (1) development and implementation of the IIFCL quality management system to meet ISO 9000 quality standards;
- (2) developing and strengthening an enhanced environmental and social safeguards framework into the Borrower's due diligence of the credit review process and post-sanction monitoring of the Sub-projects;
- (3) implementation of the human resource strategy/plan;
- (4) development of new products;
- (5) risk management and research support for the Borrower's treasury;
- (6) development of staff skills, through training in areas such as: (i) treasury functions and resource management; (ii) credit origination; (iii) credit review, risk management and post-sanction monitoring; (iv) IT; (v) human resources management; (vi) environmental and social compliance, auditing and tracking; (vii) procurement; (viii) legal; (ix) accounting and financial management; (x) research and planning; and (xi) leadership and team building; and
- (7) development and implementation of business plans for the IIFCL and its subsidiaries; and

(8) other mutually acceptable activities.

B. Implementation and monitoring of the Project, including areas of financial management, procurement, safeguards enforcement, and general monitoring and reporting.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements and Undertakings for the Project****A. Institutional Arrangements**

1. The Borrower shall maintain an adequate organizational structure, with functions, powers, staff and resources necessary and appropriate for Project implementation.
2. The Borrower shall establish and maintain an Environment and Social Safeguards Management Unit, with functions, powers, staff and resources necessary and appropriate to review and monitor the environmental and social aspects of the Sub-projects.

B. Project Undertakings

1. Subject to the provisions of paragraph 2 of this Section B, the Borrower shall ensure that the Project is carried out in accordance with the Operations Manual and the Current ESSF, and shall ensure that the Operations Manual and the Current ESSF are not materially revised, amended or abrogated without the prior approval of the Bank.
2. Within nine (9) months from the date of this Agreement, the Borrower shall prepare, adopt, and publish on its Web site, an enhanced Environmental and Social Safeguards Framework, satisfactory to the Bank, which shall summarize the policies and provisions related to the Sub-projects for: (a) carrying out environment and social assessment; (b) conducting consultations with relevant stakeholders; (c) preparing, reviewing and implementing management plans such as Environment Management Plans, Resettlement Action Plans, Tribal Development Plans, as applicable; (d) processing and redressing grievances; and (e) carrying out monitoring and evaluation of implementation outcomes. The Borrower shall update the respective environmental and social sections of the Operations Manual and ensure that the Project is carried out in accordance with the enhanced Environmental and Social Safeguards Framework immediately following its adoption. The enhanced Environmental and Social Safeguards Framework may be revised from time to time with the prior approval of the Bank.
3. The Borrower shall install and operate a Management Information System to track and monitor environmental and social aspects of the Sub-projects, and satisfactory to the Bank.

4. As and when the Borrower reviews and updates, as required, the Risk Management Framework (in effect as of April 1, 2009), it shall share such information with the Bank for comments.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Sub-projects

1. The Borrower shall select the Sub-projects and Sub-borrowers and shall make the Sub-loans in accordance with the eligibility criteria and procedures set forth in the Operations Manual.
2. The Borrower shall make each Sub-loan under a Sub-loan Agreement with the respective Sub-borrower on terms and conditions set forth in the Operations Manual. The Borrower shall obtain rights adequate to protect its interests and those of the Bank, including the right to suspend or terminate the right of the Sub-borrower to use the proceeds of the Sub-loan, or declare to be immediately due and payable all or any part of the amount of the Sub-loan then withdrawn, upon the Sub-borrower's failure to perform any of its obligations under the Sub-loan Agreement.
3. The Borrower shall ensure that each Sub-borrower is required to:
 - (a) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices adopted by the Borrower, including in accordance with the provisions of the Anti-Corruption Guidelines;
 - (b) provide, promptly as needed, the resources required for the purpose;
 - (c) ensure that Sub-project funds are used for intended purposes;
 - (d) maintain policies and procedures adequate to enable it to monitor and evaluate the progress of the Sub-project and the achievement of its objectives;
 - (e) (i) maintain a financial management system and prepare financial statements in accordance with consistently applied Indian accounting standards as issued by the Institute of Chartered Accountants of India, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (ii) have such financial

statements audited by independent auditors in accordance with consistently applied auditing standards, and promptly furnish the statements as so audited to the Borrower, all in accordance with the Operations Manual;

- (f) enable the Borrower and the Bank to inspect the Sub-project, its operation and any relevant records and documents; and
 - (g) prepare and furnish to the Borrower or the Bank, through the Borrower, all such information as the Borrower or the Bank shall reasonably request relating to the foregoing.
4. The Borrower shall ensure that each Sub-loan Agreement is consistent with and includes, as appropriate, the terms and conditions set forth in paragraphs 2 and 3 of this Part D.
 5. The Borrower shall exercise its rights under each Sub-loan Agreement 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 materially amend, abrogate or waive any Sub-loan Agreement, or any of their provisions. If the Borrower assigns any Sub-loan to a third party, the Borrower shall: (a) notify the Bank of this action; and (b) repay to the Bank the amount of the Loan used to finance such a Sub-loan.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one (1) Fiscal Year quarter, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.
2. Notwithstanding the requirement in paragraph 1 of Part A of Section II of this Schedule, by July 31, 2012, the Borrower shall carry out a comprehensive mid-term Project review, and shall by September 30, 2012, prepare and furnish to the Bank a mid-term Project progress report, satisfactory to the Bank.
3. For purposes of Section 5.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Bank not later than December 31, 2015.

B. Financial Management, Financial Reports and Audits

1. Without limitations upon the provisions of Section 5.09(a) of the General Conditions, the Borrower shall maintain a financial management system and prepare financial statements in accordance with consistently applied Indian accounting standards as issued by the Institute of Chartered Accountants of India, both in a manner adequate to reflect the operations and financial condition of the Borrower, including the operations, resources and expenditures related to the Project.
2. Without limitation upon the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank as part of the Project Reports, transactional unaudited interim financial reports (IFRs) for disbursements under Component I, which may be compiled into the Quarterly Component I-IFRs and Quarterly Component II-IFRs, to be submitted to the Bank not later than thirty (30) days after the end of each quarter. The quarterly IFRs shall be consolidated by the Borrower into one annual IFR which shall be appended to the Annual Audited Accounts of the Borrower as a schedule. The annual audited accounts of the Borrower shall be submitted within six (6) months of the close of each Fiscal Year.
3. Without limitations upon the provisions of Section 5.09(b) of the General Conditions, the Borrower shall have its financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. The Borrower shall ensure that its audit reports discuss whether the Loan funds provided under Component I have been used for intended purposes. Each audit of these financial statements shall cover the period of one (1) Fiscal Year of the Borrower. The audited financial statements for each period shall be furnished to the Bank not later than six (6) months after the end of the period.

Section III. Procurement

A. Under Component I

Procurement under the Sub-projects shall be carried out in accordance with the Procurement Guidelines. The Sub-projects shall be eligible for Loan financing:

1. if the Sub-borrower is a private-sector enterprise or any of the other type of enterprise specified in paragraph 3.12 of the Procurement Guidelines, and the procurement undertaken by the Sub-borrower is in accordance with established private sector or commercial practices, which are acceptable to the Bank;
2. if the Sub-project involves a BOO/BOT/BOOT or similar type of a contract and has been selected in accordance with International Competitive Bidding (ICB)

procedures acceptable to the Bank, which may include several stages, as further spelled out in paragraph 3.13(a) of the Procurement Guidelines, and the Sub-borrower procures goods, works, and services under the Sub-project from eligible sources, in accordance with its own procedures; or

3. if, pursuant to paragraph 3.13(b) of the Procurement Guidelines, the Sub-borrower involves a BOO/BOT/BOOT or similar type of a contract and has not been selected in accordance with ICB procedures acceptable to the Bank, and the Sub-borrower procures goods, works, and services under the Sub-project in accordance with the ICB procedures of Section II of the Procurement Guidelines.

B. Under Component II

1. General

- (a) **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
- (b) **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.
- (c) **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or the Consultant Guidelines, as the case may be.

2. Particular Methods of Procurement of Goods and Works

- (a) **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.
- (b) **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Limited International Bidding
(b) National Competitive Bidding, and the additional provisions agreed between the Borrower and the Bank
(c) Shopping
(d) Direct Contracting

3. Particular Methods of Procurement of Consultants' Services

- (a) **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph (b) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
- (b) **Other Methods of Procurement of Consultants' Services.** The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Quality-based selection
(b) Selection under Fixed Budget
(c) Least Cost Selection
(d) Selection based on Consultants' Qualifications
(e) Single-source Selection
(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Sole Source Procedures for the Selection of Individual Consultants

4. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts (including all the Sub-projects) which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (Expressed in Dollars)	Percentage of Expenditures to be Financed
(1) Sub-loans under Component I of the Project	1,192,012,500	100%
(2) Front-end Fee	2,987,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(c) of the General Conditions
TOTAL AMOUNT	1,195,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that

withdrawals up to an aggregate amount not to exceed \$239,000,000 equivalent under the Loan may be made for payments made prior to this date but on or after November 1, 2008, for Eligible Expenditures.

2. The Closing Date is September 30, 2015.

SCHEDULE 3**Amortization Schedule**

1. 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”). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Principal Payment Date	Installment Share (Expressed as a Percentage)
On each April 15 and October 15 Beginning April 15, 2017 through October 15, 2036	2.44%
On April 15, 2037	2.40%

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
- (a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.
- (b) Any amount withdrawn 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 the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Loan withdrawn within two (2) 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.
 - (b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

APPENDIX**Section I. Definitions**

1. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
2. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004, and revised in October 2006.
4. “Current ESSF” means the Environmental and Social Safeguards Framework of the Borrower, dated February 28, 2008, and amended on August 22, 2008, which sets forth the environmental and social safeguards applicable to the Project, including identification, assessment and mitigation of potential environmental and social impacts arising from carrying out Project activities, measures to protect cultural property, proposed management and mitigation measures and the relevant institutional arrangements, as such document may be revised from time to time with the prior approval of the Bank.
5. “Fiscal Year” means the Borrower’s fiscal year, beginning on April 1 of a calendar year and ending on March 31 of the following calendar year.
6. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008), with the modifications set forth in Section II of this Appendix.
7. “IIFCL” (or the “Borrower”) means India Infrastructure Finance Company Limited, a company registered under the India’s Companies Act (1956), as amended, having its registered office at 1201-1207 Naurang House, 21, Kasturba Gandhi Marg, New Delhi - 110001, India, and governed by the SIFTI.
8. “Incremental Operating Costs” means incremental operating costs incurred by the Borrower on account of Project implementation, management and monitoring, including salaries of non-civil service positions and consultancy costs, dissemination of Project related information, office and equipment purchase, maintenance and repair, vehicle maintenance and repair, travel, including travel to Sub-project sites, security, communication, bank charges, and other costs directly associated with and necessary under the Project.

9. “Memorandum and Articles of Association” means the Memorandum and Articles of Association of the Borrower, as may be amended from time to time.
10. “Operations Manual” means the Operations Manual adopted by the Borrower on October 8, 2008 (IIFCL Board Resolution No. 5/20/781/2008-09), setting forth the policies, terms, conditions and procedures related to Project implementation, as such manual may be amended from time to time in accordance with Schedule 2, Section I, Part B paragraph 1 of this Agreement.
11. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004, and revised in October 2006.
12. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated August 10, 2009, and referred to in paragraph 1.16 of the Procurement Guidelines, and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
13. “SIFTI” means the Scheme for Financing Viable Infrastructure Projects Through a Special Purpose Vehicle Called India Infrastructure Finance Company Limited, approved by the Borrower’s Government of India under Order No.10/12/2005-INF on January 4, 2006, revised on April 23, 2007 and thereafter, and as may be amended from time to time.
14. “Sub-borrower” means an entity which has been selected by the Borrower in accordance with paragraph 1 of Part D of Section I of Schedule 2 to this Agreement, to which the Borrower proposes or has made a Sub-loan.
15. “Sub-loan” means a loan made or proposed to be made by the Borrower, in accordance with paragraph 2 of Part D of Section I of Schedule 2 to this Agreement, out of the proceeds of the Loan allocated from time to time to Category (1) of the table set forth in paragraph 2 of Part A of Section IV of Schedule 2 to this Agreement, for the purpose of financing all or portion of expenditures incurred by the Sub-borrower under a Sub-project.
16. “Sub-loan Agreement” means an agreement or agreements between and among the Borrower, other lenders/creditors, and the Sub-borrower for the purpose of providing a Sub-loan and other financing for the Sub-project.
17. “Sub-project” means a specific infrastructure public private partnerships project selected by the Borrower in accordance with paragraph 1 of Part D of Section I of Schedule 2 to this Agreement, which is proposed to be carried out by a Sub-borrower, in whole or in part through the utilization of the proceeds of a Sub-loan.

18. “Training” means reasonable and necessary costs of training related to Project implementation, including the fees of educational or other institutions that provide training, costs related to attendance or organization of conferences, seminars, study tours and workshops, and the trainees’ cost of travel, boarding, lodging and per diem allowances.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

Paragraph (l) of Section 7.02 is modified to read as follows:

“Section 7.02. *Suspension by the Bank*

... (l) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association.”