

# Facility Administration Manual

Project Number: 46268

Loan Number: {LXXXX}

September 2014

## India: Clean Energy Finance Investment Program

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### **Facility Administration Manual Purpose and Process**

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

The Indian Renewable Energy Development Agency Limited (IREDA) is wholly responsible for the implementation of ADB financed projects, as agreed jointly between IREDA and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by IREDA of their obligations and responsibilities for facility implementation in accordance with ADB's policies and procedures.

At Loan Negotiations, IREDA and ADB have agreed to the FAM and ensure consistency with the Loan Agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the FAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

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

### **Abbreviations**

|       |   |   |
|-------|---|---|
| ADB   | = | Asian Development Bank                                  |
| DMF   | = | design and monitoring framework                         |
| EIA   | = | environmental impact assessment                         |
| ESMS  | = | environmental and social management system              |
| FAM   | = | facility administration manual                          |
| FI    | = | financial intermediation                                |
| IPP   |   | Indigenous People's Plan                                |
| INR   | = | Indian rupee  |
| IREDA | = | Indian Renewable Energy Development Agency Limited      |
| LIBOR | = | London interbank offered rate                           |
| MFF   | = | multi-tranche financing facility                        |
| PMU   | = | project management unit                                 |
| RP    |   | Resettlement Plan                                       |
| RRP   | = | report and recommendation of the President to the Board |
| SOE   | = | statement of expenditure                                |
| SPS   | = | Safeguard Policy Statement                              |
| USD   | = | United States dollar                                    |

## I. FACILITY DESCRIPTION

1. The proposed MFF totaling \$500 million consists of financial intermediation sovereign guaranteed loans to the Indian Renewable Energy Development Agency Limited (IREDA). The ADB funds will support IREDA's lending operation to eligible renewable energy subprojects in India. Technologies may include wind, biomass, hydropower, solar, and cogeneration.<sup>1</sup> This MFF will leverage private capital to scale up sector lending in order to add more renewable energy capacities in India over the coming years.

2. The impact of the investment program will be increased renewable energy infrastructure. The outcome will be facilitated investment in renewable energy.

3. Outputs are (i) enhanced availability of long-term financing to support renewable energy projects and (ii) improved institutional capacity of IREDA. Key activities to achieve these outputs are the utilization of the MFF funds to finance the renewable energy subprojects and the associated institutional capacity development. Tranche 1 outputs include at least 10 subprojects<sup>2</sup> debt financed by IREDA, and institutional capacity initiatives.<sup>3</sup>

## II. IMPLEMENTATION PLANS

### A. Facility Readiness Activities

| Indicative Activities                          | June 14 | July 14 | Aug 14 | Sept 14 | Oct 14 | Nov 14 | Dec 14 | Jan 15 | Responsible party |
|--|---------|---------|--------|---------|--------|--------|--------|--------|-------------------|
| Confirm subproject pipeline*                   | X       |         |        |         |        |        |        |        | IREDA             |
| Establish facility implementation arrangements | X       |         |        |         |        |        |        |        | IREDA, ADB        |
| Establish ESSU                                 | X       |         |        |         |        |        |        |        | IREDA, ADB        |
| Prepare subprojects for retroactive financing  |         | X       |        |         |        |        |        |        | IREDA, ADB        |
| Carry out safeguard training                   |         | X       | X      | X       | X      | X      |        |        | IREDA, ADB        |
| Prepare subproject readiness                   |         | X       | X      | X       | X      | X      |        |        | IREDA, ADB        |
| ADB Board approval                             |         |         |        |         | X      |        |        |        | ADB               |
| Loan signing                                   |         |         |        |         |        | X      |        |        | IREDA, ADB, India |
| Loan effectiveness                             |         |         |        |         |        |        |        | X      | IREDA, ADB, India |

ADB = Asian Development Bank, ESSU = environment and social safeguards unit, IREDA = Indian Renewable Energy Development Agency Limited.

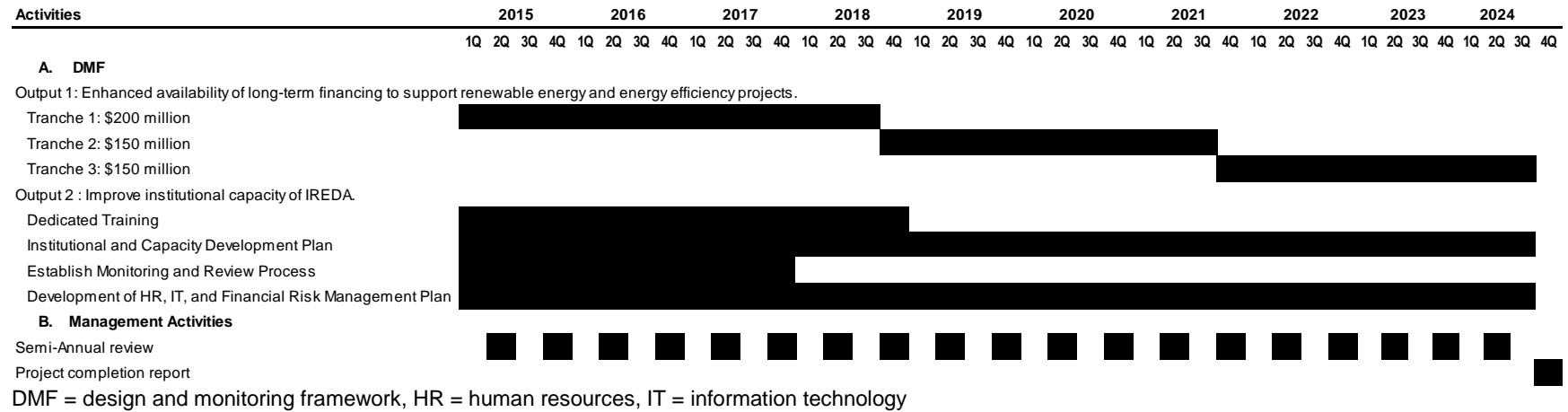
\*see Appendix 11

<sup>1</sup> IREDA also lends to, on a limited basis, energy efficiency subprojects, which are permitted under the MFF.

<sup>2</sup> Actual number of projects funded may vary based on actual, realized costs of IREDA's immediate pipeline of renewable energy projects.

<sup>3</sup> ADB consultant resources to support the establishment of an environment and social safeguard unit is ongoing.

## B. Overall Facility Implementation Plan



### III. FACILITY MANAGEMENT ARRANGEMENTS

#### A. Facility Implementation Organizations – Roles and Responsibilities

| Facility implementation organizations  | Management Roles and Responsibilities   |
|--|---|
| <ul style="list-style-type: none"> <li>• <b>Executing agency</b> <ul style="list-style-type: none"> <li>– IREDA</li> </ul> </li> <br/> <li>• <b>Facility Management Unit</b> <ul style="list-style-type: none"> <li>– IREDA</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>➤ Coordinate all existing development assistance (funding) resources to IREDA and ensure proper capital structure and adequate business continuity;</li> <li>➤ Provide overall guidance on the facility administration and management in accordance with this facility administration manual and other applicable ADB, national, state, and IREDA guidelines;</li> <li>➤ Conduct overall review and monitoring of the facility implementation;</li> <li>➤ Liaise with the project management unit (PMU) and ADB to address any implementation issues, including the improvement of ongoing implementation and safeguard system;</li> <li>➤ Arrange independent audit on the ADB facility;</li> <li>➤ Prepare semi-annual monitoring and progress reports based on the information submitted by the PMU;</li> <li>➤ Manage the facility-related capacity development program; and</li> <li>➤ Provide strategic guidance on the areas of potential business expansion and coordinate with the facility to develop the relevant capacities.</li> </ul><br><ul style="list-style-type: none"> <li>➤ Manage ADB funds flow, including as required necessary foreign currency risk management;</li> <li>➤ Establish a facility imprest account, as required;</li> <li>➤ Develop subproject pipeline in accordance with the facility eligibility criteria;</li> <li>➤ Implement sublending, including credit review and pricing, in accordance with IREDA's internal guidelines, this FAM and other agreed implementation guidelines;</li> <li>➤ Ensure that the established environment and social safeguard unit (ESSU) complies with the approved ESMS, labor standards, gender elements, and procurement guidelines, as applicable;</li> <li>➤ Coordinate with ESSU to ensure applicable submission to ADB of safeguards related documentation as required;</li> <li>➤ Manage subloan disbursement;</li> <li>➤ Prepare ADB withdrawal applications for fund liquidation;</li> </ul> |

- Hedge the facility risk in terms of portfolio asset quality, interest rate and maturity risk, market risk, and liquidity risk, and subproject credit risk;
- Report to ADB on a six-month basis the utilization of the ADB fund, including details on all relevant implementation matters and implications on stated developmental impact;
- Carry out the proposed facility capacity development; and
- Review periodically the subproject implementation and ensure the designed developmental impact.

## **B. Key Persons Involved in Implementation**

### **Indian Renewable Energy Development Agency Limited** Executing Agency

Officer's Name: K. S. Popli  
Position: Chairman & Managing Director  
Telephone: +91 11 2468 2204  
Email address: kspopli@ireda.gov.in

Officer's Name: S. K. Bhargava  
Position: Director (Finance)  
Telephone: +91 11 2671 7425  
Email address: skbhargava@ireda.gov.in

### Facility Management Unit

Officer's Name: R. C. Sharma  
Position: Deputy General Manager (Finance)  
Telephone: +91 11 2671 7431  
Email address: rcsharma@ireda.gov.in  
Office Address: 3<sup>rd</sup> Floor, August Kranti Bhawan, Bhikaiki Cama Place, New Delhi-110066, India

### **ADB**

#### Public Management, Financial Sector and Trade Division

Staff Name: Bruno Carrasco  
Position: Director  
Telephone: +63 2 632 5929  
Email address: bcarrasco@adb.org

#### Energy Division

Staff Name: Yongping Zhai  
Position: Director  
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Email address: yzhai@adb.org

#### Mission Leaders

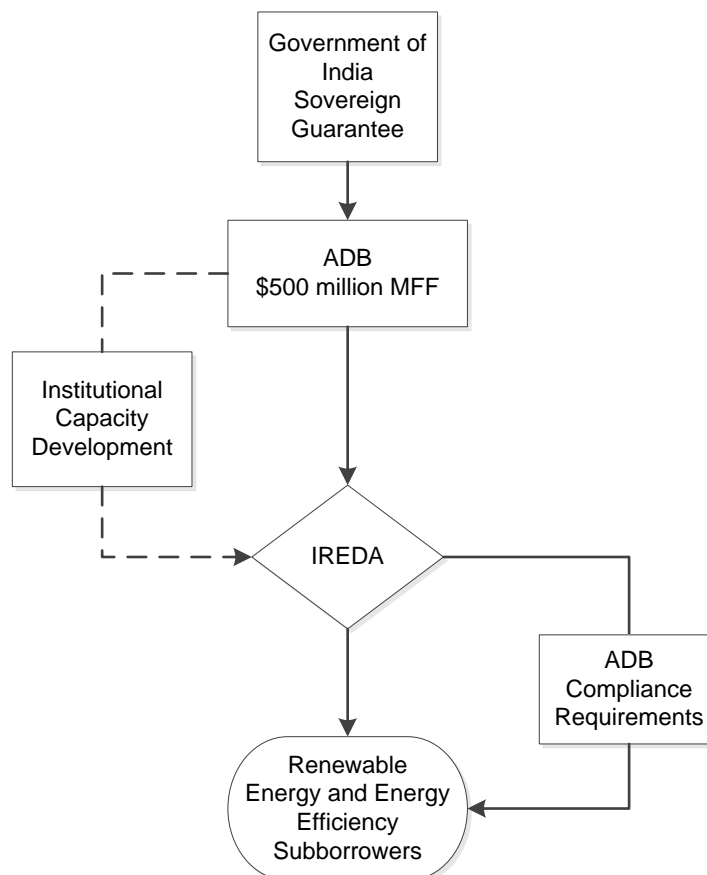
Staff Name: Anqian Huang  
Position: Finance Specialist  
Telephone: +63 2 632 5639  
Email address: ahuang@adb.org

Staff Name: Andrew Jeffries  
Position: Principal Energy Specialist



Telephone: +91 11 2419 4262  
Email address: ajeffries@adb.org

### C. Facility Organization Structure



ADB = Asian Development Bank, IREDA = Indian Renewable Energy Development Agency Limited, MFF = multitranche financing facility.

### D. Selection Criteria

4. The following criteria will apply for selecting and approving Subprojects intended for financing under the Facility:

- (i) the subprojects shall follow IREDA's Financing Norms as acceptable to ADB;
- (ii) the subproject should be within the renewable energy or energy efficiency subsectors such that the subproject (i) generates electricity and/or energy through new and renewable sources<sup>4</sup>, or (ii) conserves energy through energy efficient processes and procedures<sup>5</sup>;

<sup>4</sup> Including wind, solar thermal, solar photovoltaic, hydropower, biomass, or cogeneration projects.

<sup>5</sup> Includes end user energy efficiency retrofit projects, demand side management projects taken up by utilities, projects promoted by Energy Service Companies (ESCOs), and power plants based on recovery of energy from exhaust gasses.

- (iii) the subproject will be economically viable and financially sustainable. Economically viable and financially sustainable subprojects may also include those subprojects that will become economically viable and financially sustainable after receiving any form of financial support, such as viability gap funding under a government sponsored scheme;
- (iv) sufficient counterpart funding for the subproject has been allocated by the subproject sponsors as needed to implement the subproject on schedule and successfully operate the subproject following completion;
- (v) the subproject has reached the requisite specified construction and other milestones to qualify for the requested financing;
- (vi) the subproject borrower is able to provide adequate security as required by IREDA;
- (vii) all necessary national and state government approvals have been obtained for the subproject;
- (viii) the subproject complies with ADB's policies and procedures and national and state level policies, laws, and regulations relating to environment, resettlement and indigenous peoples;
- (ix) the subproject was prepared in compliance with the FFA (including ADB's Social Dimensions and Safeguard Requirements set forth in Schedule 5 to the FFA); and
- (x) the subprojects undergoing takeout finance (see section F below) shall follow IREDA's *Guidelines to Take Over Loans by IREDA from Other Financial Institutions / Banks* and comply with the same requirements as any other subprojects funded under the ADB facility.

## **E. Subproject Selection and Approval Process**

5. IREDA shall provide long-term finance to eligible renewable energy (and energy efficiency) subprojects in accordance with its internal guidelines. The process starts with a prospective subborrower submitting a loan application along with additional requisite subproject information. The next step is a Know Your Customer appraisal as required by Reserve Bank of India guidelines for Non-Banking Finance Companies to verify the credentials of the borrower, requisite documentation, and transparency aspects on the borrower's sources of funds from an anti-money laundering perspective. The subproject is then assigned to the respective technical team for full due diligence including evaluation of the subproject developer's capability and track record, and review of the subproject's cost estimates, legal aspects, required licenses, permits and clearances, technical, commercial and financial viabilities, and environmental and social safeguard impacts. Acceptable subprojects are then presented to IREDA management for approval, and if exceeding certain loan size and other parameters, also to IREDA's Board of Directors for approval.<sup>6</sup> During this process, IREDA identifies potential lines of credit for which the subproject is eligible and during the due diligence process collects any additional information required by specific lenders. This framework will also apply to any subproject that utilizes the ADB funds.

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<sup>6</sup> IREDA's current guidelines on delegation of authority are as follows: IREDA directors (up to Rs. 2 crores with annual accumulative ceiling of Rs. 40 crores), chairman and managing director (between Rs. 2-10 crores with an annual accumulative ceiling of Rs. 200 crores), and committee of directors (between Rs. 10-70 crores with an annual accumulative ceiling of Rs. 1,400 crores) for approval, and if exceeding Rs. 70 crores, to the Board of Directors for approval.

- (i) For subprojects to be considered under the ADB Facility, IREDA shall first prepare a confirmed subproject pipeline list requiring ADB funding by using the Estimate of Expenditures Form (Appendix 4). IREDA shall also provide ADB with basic subproject information<sup>7</sup> for ADB's preliminary approval of the subproject.
- (ii) IREDA will follow the ADB procedures as outlined in the ESMS. IREDA will submit the environmental, social and indigenous peoples due diligence reports, environment and social safeguard checklists, and categorization forms, along with detailed subproject files, to ADB. Each respective tranche loan documentation will specify whether, for non-category A subprojects, this submission is for review and approval, or for information.
- (iii) As outlined in the ESMS, for a subproject using ADB funds and likely to be classified as category A for any environment, involuntary resettlement, or indigenous peoples impacts under tranche 2 and 3, IREDA will refer the subproject to ADB and provide relevant environmental and social information to ADB early in its due diligence process, and submit the draft EIA, RP, and/or IPP to ADB for review and clearance before the subproject is approved for use of funds from the ADB facility. The draft EIA report will be made publicly available at least 120 days before the approval of the subproject, and the draft RP and draft IPP will be made publicly available before the approval of the subproject.
- (iv) Under tranche 1, no free limit will be provided. Under tranches 2 and 3, ADB may, subject to its policies and procedures, permit on request a free limit up to a specified threshold, based on ADB's assessment of IREDA's operating performance, appraisal standards, portfolio quality, and average loan size during the facility implementation. For subprojects above the free limit for the respective loan tranche, IREDA will submit to ADB (a) the subloan application forms and related documents, (b) IREDA's internal technical and credit appraisal reports, together with supporting documents such as the detailed project reports, and (c) environmental and social safeguards compliance documents as described under (ii) and (iii) above.
- (v) For subprojects requiring ADB's approval, including (i) all subprojects under tranche 1, (ii) subprojects above the free limit, if any, under tranches 2 and 3, and (iii) all subprojects with environment and social safeguard categorization A, ADB's findings will be forwarded to IREDA. If any questions arise or lack of sufficient information is found during such reviews, ADB will request such information from IREDA to ensure that the subprojects meet ADB's safeguard and other eligibility requirements. If all satisfactory, ADB will issue an approval letter for the respective subprojects.
- (vi) For subprojects whose loan size is below the free limit for the respective loan tranche, IREDA is required to follow the ESMS procedures and submit to ADB the same set of information as described under (ii) and (iii) above for approval of the safeguard categorization prior to releasing the funds to subborrowers. ADB will approve the safeguard categorizations and issue an acknowledgement letter for the submitted subprojects, such that the subprojects are recognized by both parties to be funded under the ADB Facility.

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<sup>7</sup> Basic information shall include the subborrower (business) name and contact, the subsector (e.g. the renewable energy technology involved), the proposed power generation capacity in megawatts, the estimated total subproject cost and loan amount, the subproject site location (State and district).

- (vii) For takeout finance (see section F below), IREDA is required to review the individual subproject documents to ensure that ADB's safeguard and eligibility criteria are fully met and IREDA's own guidelines under the same subject matter (see section F below) are followed. IREDA at least needs to review the available environment and social safeguard due diligence reports to produce safeguard checklists and subproject categorizations compliant with the ADB ESMS requirements. If compliance gaps exist, IREDA has the responsibility to conduct additional due diligence and produce additional reports to ensure that the same requirements as under the greenfield subprojects are fully met. In principle, there should not be any difference in compliance requirements among greenfield subprojects, subprojects at advanced stage, or subprojects for takeout finance. The free limit also applies to takeout finance.

## F. Takeout Finance

6. Prior to the transfer of the assets, IREDA shall also follow any relevant Reserve Bank of India guidelines on takeout finance in terms of risk weight, asset classification and provisioning, and other accounting rules such as income recognition.<sup>8</sup> Subprojects under the takeout finance scheme shall comply with the same ADB requirements as any other subprojects funded under the ADB facility, subject to the maximum allowable percentage of ADB funds as specified in the respective tranches. Under tranche 1, up to 20% of the total ADB fund could be used for takeout finance.

## IV. COSTS AND FINANCING

7. To finance IREDA's projected \$6.6 billion of loan disbursements by FY2024, IREDA raises domestic funds via term loans and domestic bonds, and borrows in foreign currencies from development partners, including the \$500 million from ADB.<sup>9</sup> The financing plan is in Table 1.

**Table 1: IREDA Tentative Financing Plan (FY2014 - FY2024)**

| <b>Source</b>  | <b>Amount<br/>(\$ million)</b> | <b>Share of<br/>Total</b> |
|--|--------------------------------|---------------------------|
| Asian Development Bank   | 500                            | 7.6%                      |
| Other foreign borrowing <sup>a</sup>                                   | 1,581                          | 24.1%                     |
| Local borrowing <sup>b</sup>   | 1,600                          | 24.4%                     |
| IREDA net repayments   | 1,855                          | 28.3%                     |
| IREDA internal accruals & government equity contributions <sup>c</sup> | 1,021                          | 15.6%                     |
| <b>Total</b>   | <b>6,557</b>                   | <b>100.0%</b>             |

IREDA = Indian Renewable Energy Development Agency Limited.

<sup>a</sup> Includes bilateral and multilateral sources in the forms of credit lines.

<sup>b</sup> IREDA raises domestic bonds and term loans.

<sup>c</sup> This includes an estimated \$411 million in government equity contributions if required.

Sources: Asian Development Bank and India Renewable Energy Development Agency Limited estimates.

<sup>8</sup> Available: <http://rbi.org.in/scripts/NotificationUser.aspx?Id=7200&Mode=0> and [http://www.rbi.org.in/Scripts/BS\\_EC\\_MNotificationUserView.aspx?Id=123](http://www.rbi.org.in/Scripts/BS_EC_MNotificationUserView.aspx?Id=123).

<sup>9</sup> Further detail including breakdown into foreign and domestic borrowings is shown in the supplementary appendix 12 (demand analysis). Detail on foreign development partner lenders is in the linked document on development coordination.

8. ADB's \$500 million MFF is expected to leverage around \$300 million of equity and other investments from subproject sponsors comprising 30% of total subproject costs, and at least \$200 million of additional debt funds from unrestricted sources,<sup>10</sup> for a total investment program of around \$1 billion. At current prices, this \$1 billion of total subproject investment financing translates into approximately 990 MW of the total 11.6 GW renewable energy capacity additions (paragraph 7). The investment program financing plan is in Table 2. ADB's \$500 MFF contributes to only a part of IREDA's total financing plan from FY2014-2024 (Table 1).

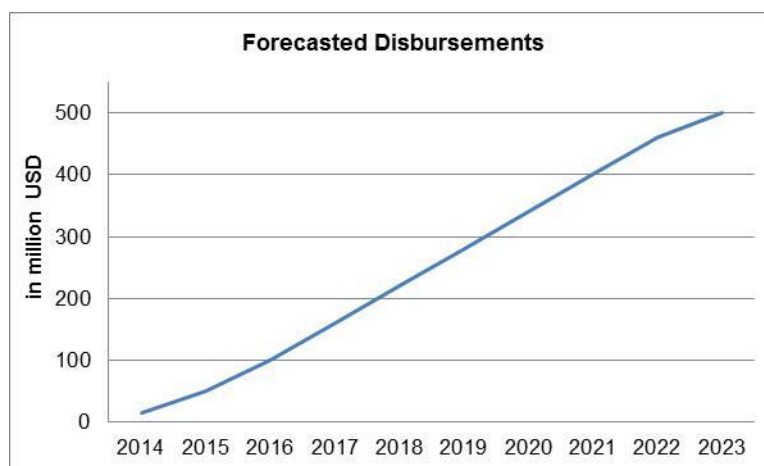
**Table 2: Facility Investment Program**

| (\$ million)                      |              |             |                    |                      |                      |
|-----------------------------------|--------------|-------------|--------------------|----------------------|----------------------|
| Item                              | Total MFF    | Share Total | Tranche 1 (actual) | Tranche 2 (expected) | Tranche 3 (expected) |
| Asian Development Bank loan funds | 500          | 50%         | 200                | 150                  | 150                  |
| Unrestricted Sources              | 200          | 20%         | 80                 | 60                   | 60                   |
| Subborrowers equity and others    | 300          | 30%         | 120                | 90                   | 90                   |
| <b>Total</b>                      | <b>1,000</b> | <b>100%</b> | <b>400</b>         | <b>300</b>           | <b>300</b>           |

Sources: Asian Development Bank and Indian Renewable Energy Development Agency estimates.

9. The MFF will consist of three tranches, subject to the government's submission of related PFRs, execution of the related guarantee and loan agreements for each tranche, and fulfillment of terms and conditions and undertakings set forth in the framework financing agreement. The first tranche of the MFF will have a 20-year term, including a grace period of 5 years, an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility, a commitment charge of 0.15% per year, and such other terms and conditions set forth in the guarantee and loan agreements. The second and third tranches are expected to be for \$150 million each and estimated to occur in 2018 and 2021 respectively.

#### A. Disbursement S-curve

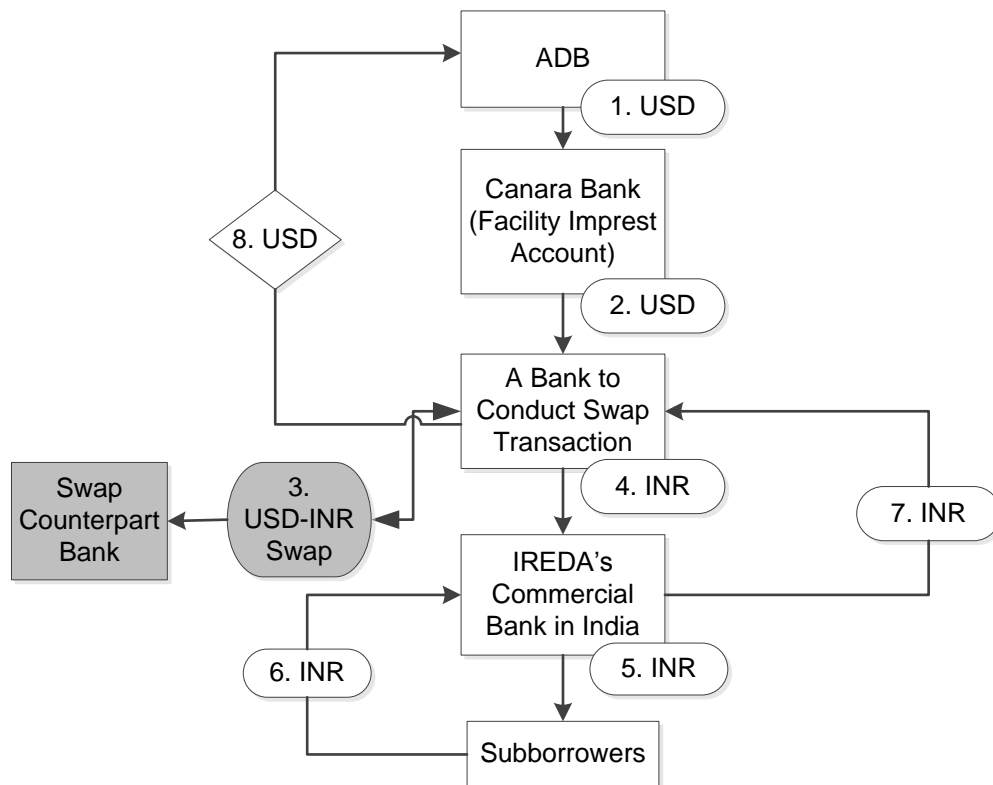


Source: ADB Staff Estimate

<sup>10</sup> The unrestricted sources are defined as any sources other than the ADB facility, e.g., any forms of debt or equity.

## B. Fund Flow Diagram

10. The facility fund flow diagram is provided below.



ADB = Asian Development Bank; INR = Indian Rupee; IREDA = Indian Renewable Energy Development Agency Limited; USD = United States Dollar.  
Source: ADB Staff.

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

11. IREDA's financial management system is satisfactory.<sup>11</sup> IREDA must comply with Reserve Bank of India, Ministry of Corporate Affairs, Department of Public Enterprises, and Ministry of New and Renewable Energy guidelines and norms. ADB proposes to further enhance IREDA's financial management capacity by introducing additional international best practices, particularly in light of its significant borrowing from development assistance in foreign currencies other than Indian rupee, over the course of the ADB facility.

12. Overall inherent risk is moderate: country specific risks in India are moderate as reflected by the country financial, budgetary, and accounting and audit systems. In light of IREDA's satisfactory financial results, the entity-specific risks are also moderate, reflecting the financial institution's combined commercial orientation and full government-ownership. The project-specific risks are moderate due to the nature of the renewable energy market and IREDA's industry experience. Overall control risks are also moderate as determined by the levels of operational capacity and arrangements, including staffing, accounting policy, internal audit, reporting mechanism, and regulatory capacity.

13. More specifically, IREDA uses 180 days overdue in its loan classification, against the international best practice of 90 days. Although the use of 180 days overdue complies with the RBI guidelines, it nonetheless does not provide the necessary stress test on asset quality. In addition, audit qualifications exist, and IREDA management should review these for improved compliance. ADB's capacity development will address these shortfalls. ADB will recommend that IREDA adopt a more frequent loan provision reporting mechanism to mitigate such a risk. IREDA will also work with ADB over the course of the facility to further improve its overall financial management practice. Furthermore, IREDA also has a relatively concentrated portfolio base in a single sector, and over time this could impose certain portfolio risks, particularly in light of sector slowdown or change in government policy on renewable energy development. IREDA is in the process of broadening its product base to mitigate such a risk. Finally, due to IREDA's business expansion plans, the level of IREDA's capital adequacy should be continuously monitored to ensure its compliance with the RBI prudential norms.

14. The financial management action plan is as follows:

| Agreed Action  | Responsible Party | Agreed Completion Date  |
|--|-------------------|---|
| Strengthen IREDA financial management practice by updating its credit risk rating system.  | IREDA             | Within six months of loan effectiveness.  |
| Introduce liquidity gap reporting and interest rate risk gap reporting, separate credit and treasury functions, and obtain major credit rating agencies' rating such as CRISIL, ICRA, etc. | ADB and IREDA     | Prior to facility closure.  |
| Compliance with the new Indian accounting standards when notified for adoption.  | IREDA             | When the new Indian accounting standards are notified by Ministry of Corporate Affairs. |

<sup>11</sup> FMA was conducted in accordance with the Financial Management Guidelines and Financial Due Diligence Methodology Note.

|   |               |  |
|---|---------------|--|
| Enhance its existing corporate-wide information technology system to upgrade the credit review and recovery system. | IREDA         | Ongoing process to be accomplished by December 2017. |
| Develop an institution risk and market risk monitoring and review system.   | ADB and IREDA | Ongoing process to be accomplished by December 2017. |

## B. Disbursement

15. The facility proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2012, as amended from time to time),<sup>12</sup> and detailed arrangements agreed upon between the Government and ADB.

16. IREDA is directly responsible for evaluating the subloan applications and disbursing the ADB fund proceeds to subborrowers in accordance with the loan agreement. IREDA will conduct the necessary due diligence on subborrowers to ensure that the ADB conditionality under the facility pertaining to eligible subloans is met. ADB reserves the rights to audit the subloans at any time.

17. As a FI loan, IREDA will receive funds directly from ADB and undertakes currency and interest rate swaps to convert the US dollar fund to Indian rupee fund for onlending to subborrowers to finance renewable energy and energy efficiency subprojects. The swap transaction also covers IREDA's corresponding interest rate and foreign exchange risks. The facility will adopt an imprest fund procedures. The imprest fund procedure can reduce IREDA's cash flow difficulties by first obtaining ADB advance for estimated six months' eligible expenditures. In addition, due to the large number of relatively small-scale renewable energy, the imprest fund procedure would help IREDA reduce the number of withdrawal applications during facility disbursement. IREDA has the necessary administrative, accounting, and auditing capacities to undertake the imprest fund procedure, in part due to IREDA managing several credit lines from multilateral and bilateral development agencies.

18. IREDA will open, administer, and maintain one imprest account in US dollar at Canara Bank (London) and one sub-imprest account in Indian rupee at one of its local commercial banks specifically for the purpose of operating the ADB facility. The use of the imprest account and sub-account is strictly for the purpose of the ADB facility. The imprest account and sub-account should be maintained without restriction on withdrawing funds at any time (e.g., current account) and is opened in the name of IREDA. ADB maintains the right to reject the selection of the commercial banks that hold the imprest account and sub-account.

19. The maximum ceiling of the imprest account and the sub-account in aggregate will not at any time exceed the estimated ADB financed expenditures to be paid from the imprest accounts to subborrowers for eligible subprojects over the next 6 months. The withdrawal application must be prepared in US dollars. Replenishment of advances is normally provided only until 6 months before the loan closing date.

20. The request for advance to the imprest account should be submitted with a withdrawal application form for imprest fund (Appendix 3) and estimate of expenditures (Appendix 4) setting out the estimated expenditures for the subsequent six (6) months. This should include an eligible subproject pipeline that sums up to the total estimated disbursement. IREDA should also

<sup>12</sup> Available at: [http://www.adb.org/Documents/Handbooks/Loan\\_Disbursement/loan-disbursement-final.pdf](http://www.adb.org/Documents/Handbooks/Loan_Disbursement/loan-disbursement-final.pdf)



submit evidence satisfactory to ADB that the imprest account has been duly opened.

21. After eligible expenditures are incurred and paid from the sub-account in Indian rupee, IREDA could request liquidation and replenishment of the imprest account in equivalent US dollar located at Canara Bank (London) based on the exchange rate at cost by submitting a withdrawal application form for imprest fund (Appendix 3) and (i) statement of expenditures (SOE) for FI loans (Appendix 5A) for subproject below the SOE limit and/or (ii) Summary Sheet for Direct Payment/Reimbursement/Replenishment/Liquidation (Appendix 5B) for subprojects above the SOE limit with supporting documents.

22. The statement of expenditures (SOE) procedure will be used for reimbursing eligible project expenditures or liquidating advances to the imprest account. The SOE procedure is a simplified procedure requiring no submission of supporting documentation of expenditures below the approved ceiling. Subject to future adjustment, the initial SOE limit is set at \$5 million per subloan. The SOE ceiling in principle could be the same as the free limit under tranches 2 and 3 (no free limit under tranche 1), if requested by IREDA and approved by ADB, i.e., supporting documents below this amount per individual subloan will not be attached to each withdrawal application, but be retained by IREDA for review by independent auditor and ADB mission.

23. SOE records should be maintained and made readily available for review by ADB's disbursement and review mission or upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.<sup>13</sup>

24. As ADB provides advances to cover projected eligible expenditure for the subsequent 6 months, the target turnover ratio of the imprest account should be maintained at 2.0 per annum.<sup>14</sup> If the turnover ratio of the imprest account is lower than the target, ADB may reduce the level of advance to the imprest account by adjusting the amount of replenishment or by requesting a refund to ADB, as appropriate. The corresponding imprest account reconciliation statement (Appendix 6) and turnover ratio form (Appendix 7) are also required to be submitted with the subsequent withdrawal applications.

25. Before the submission of the first withdrawal application, IREDA should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower (see Appendix 8), together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is US\$100,000, unless otherwise approved by ADB. Individual payments below this amount should generally be paid from the imprest/subaccount, or by IREDA and subsequently claimed to ADB through reimbursement. ADB reserves the right not to accept withdrawal applications below the minimum amount.

26. On the statement of expenditure (SOE) (Appendix 5A), IREDA needs to list the subloan amount approved and individual subloan claimed as required in the tabular format. IREDA needs to retain supporting documents for subloans, if the individual subloan is below the SOE ceiling including, for each subproject, (a) IREDA internal authorization and approvals including

<sup>13</sup> Checklist for SOE procedures and formats are available at relevant sections of the ADB Loan Disbursement Handbook: <http://www.adb.org/sites/default/files/loan-disbursement-handbook.pdf>.

<sup>14</sup> The turnover ratio of the imprest account is calculated by the following formula: cumulative amount of liquidation divided by average of imprest advance amount.

signatories, (b) subborrower's chartered accountant certification letter certifying the subprojects expenses incurred, and (c) evidence of payment made by IREDA to the subproject. If the individual subloan exceeds the SOE ceiling, IREDA shall use the Summary Sheet for Direct Payment/Reimbursement/Replenishment/Liquidation (Appendix 5B) and attach appropriate supporting documents of above (a), (b), and (c) of this paragraph.

27. The following table provides for the requirements of the supporting documents:

| Items                         | Required Documents   |
|-------------------------------|--|
| Advance                       | Withdrawal Application Form for Imprest Fund (Appendix 3) and Estimate of expenditures (Appendix 4) to support the amount of the advance. The listed subloans should sum up to the total IREDA subloan disbursement for the subsequent six months.   |
| Liquidation and replenishment | <ol style="list-style-type: none"> <li>1. Withdrawal Application Form for Imprest Fund (Appendix 3)</li> <li>2. Imprest Account Reconciliation Statement (Appendix 6).</li> <li>3. Bank Statement.</li> <li>4. Either one of the following, or both, as applicable: <ul style="list-style-type: none"> <li>– (For expense items below SOE ceiling): Statement of expenditures (SOE) for financial intermediation loans (Appendix 5A).</li> <li>– (For expense items exceeding SOE ceiling): Summary Sheet for Direct Payment/Reimbursement/Replenishment/Liquidation (Appendix 5B) and supporting documents as mentioned in paragraph 26 (a), (b), and (c).</li> </ul> </li> </ol> |

28. **Retroactive Financing.** Under each tranche, ADB may, subject to its policies and procedures, permit on request retroactive financing of eligible expenditures up to 20% of each tranche, incurred not earlier than 12 months before the date of signing of the related legal agreement. Use of retroactive financing is subject to subprojects' meeting all eligibility and safeguard compliance requirements. IREDA acknowledges that approval of retroactive financing will not constitute a commitment by ADB to finance the subprojects.

29. **Maximum ADB Financing and Free Limit.** ADB funds can be used to finance up to 50% of the total subproject cost. Under tranche 1, no free limit will be provided. Under tranches 2 and 3, ADB may, subject to its policies and procedures, permit on request a free limit up to a specified threshold, based on ADB's assessment of IREDA's operating performance, appraisal standards, portfolio quality, and average loan size during the facility implementation.

### C. Accounting

30. IREDA will maintain a separate project financial statement(s) and record all expenditures and related transactions incurred in relation to the facility's operation. Relevant project financial statements will follow the prevailing Indian accounting standards.<sup>15</sup> See Section IX for reporting requirements.

### D. Auditing

31. The statement of subprojects will be subject to audit by an independent auditor of IREDA. The audit will be conducted in accordance with national auditing standards applicable in India. The audited statement of subprojects will be submitted in the English language to ADB within 6 months of the end of the fiscal year by the executing agency. The audit opinion will

<sup>15</sup> The current Indian accounting standards are yet to converge with the international financial reporting standards.

include the auditor's review of subprojects approved by ADB and will address (i) whether or not the Statement of Subprojects presents fairly, in all material respects, subprojects funded by ADB. (ii) whether or not loan proceeds were used only for the purposes of the facility/project under the related tranche; (iii) the level of compliance for each financial covenant contained in the legal agreements for the project under the related tranche; and (iv) if applicable, the use of the statement of expenditure procedure certifying to the eligibility of those expenditures claimed under SOE procedures in accordance with ADB's Loan Disbursement Handbook and the legal agreements for the project under the related tranche. The audit report will also include an audit management letter (which sets out the deficiencies in the internal control of the project under the related tranche that were identified in the course of the audit, if any). Further guidance is shown in a sample letter for audit in Appendix 9.

32. IREDA will also cause its entity-level statutory financial statements to be audited in accordance with International Standards on Auditing and with the Government of India audit regulations, by the independent auditor of IREDA. The audited entity-level financial statements, together with the auditors' report, will be submitted in the English language to ADB within one month after their approval by the competent authority.

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

34. The government, and IREDA have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.<sup>16</sup> ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

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

## **VI. PROCUREMENT AND CONSULTING SERVICES**

36. All procurement to be financed under an ADB loan will be carried out in accordance with

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<sup>16</sup> ADB Policy on delayed submission of audited project financial statements: (i) when audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next six months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed; (ii) When audited project financial statements have not been received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next six months; (iii) when audited project financial statements have not been received within 12 months after the due date, ADB may suspend the loan.

ADB's Procurement Guidelines (2013, as amended from time to time).<sup>17</sup> ADB will encourage IREDA to require its subborrowers to adopt internationally competitive bidding procedures to the extent possible when the amount of the investment is unusually large and economy and efficiency can be gained by following such procedures. For procurement of goods and services to be financed by subloans from the ADB loan, IREDA will ensure that the price paid is reasonable and that account is taken of factors such as time of delivery, efficiency, and reliability.

37. IREDA may also carry out relevant institutional procurement and recruitment of consultant services under the capacity development component. The consultants would be engaged in accordance with its Guidelines on the Use of Consultants (2013, as amended from time to time).<sup>18</sup> Disbursements will be made in accordance with ADB's Technical Assistance Disbursement Handbook (2010, as amended from time to time). Procurement of goods under the capacity development component intended for IREDA's ownership will follow ADB's Procurement Guidelines (March 2013, as amended from time to time).

## VII. SAFEGUARDS

38. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS),<sup>19</sup> the ADB fund may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS and attached as Appendix 2 of this FAM. IREDA's ESMS has integrated this step into the loan review process. IREDA also needs to ensure that its investments are in compliance with applicable national laws and regulations on the environment and health and safety.

39. IREDA is developing an ESMS, which will be satisfactory to ADB, to support the sublending from IREDA to subborrowers. IREDA is establishing a designated ESSU and will nominate one compliance officer (part-time basis) and two specialists (one environmental specialist and one social safeguard specialist) on a full-time basis. The compliance officer is not a part of ESSU. The ESMS will comply with ADB's SPS 2009 and ADB's guidelines for FI loans.

40. This ESMS covers (i) environmental and social safeguard principles, (ii) subproject screening and categorization process, including due diligence methodology, (iii) environmental safeguard compliance requirements for category A, B, and C subprojects, (iv) compliance requirements for ADB (for category A subprojects) and Indian national laws and regulation (for category B and C subprojects), including risk mitigation and management plan, (v) requirements and procedures to hold public consultations, and disclose public information (including for environment Category A projects, the Environmental Impact Assessments is made available to the public 120 days before ADB approves such a subproject for disbursement), and (v) monitoring and reporting requirements.

41. IREDA will ensure that civil works contracts under Qualified Subprojects under subloan agreements follow all applicable national and state level labor laws and that these further include provisions to the effect that contractors: (a) carry out HIV/AIDS awareness programs for

<sup>17</sup> ADB. 2013. *Procurement Guidelines*. Manila. Available: <http://www.adb.org/sites/default/files/Guidelines-Procurement.pdf>

<sup>18</sup> ADB. 2013. *Guidelines on the Use of Consultants*. Manila. Available: <http://www.adb.org/sites/default/files/guidelines-use-consultants.pdf>

<sup>19</sup> Available at: <http://www.adb.org/Documents/Policies/Safeguards/Safeguard-Policy-Statement-June2009.pdf>

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 (b) 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.

42. IREDA will cause the subborrowers to undertake subproject monitoring of the activities included in the paragraph above. For this purpose within no more than 3 months from the signing of the FFA the ADB will agree with IREDA on a set of indicators, including (i) employment opportunities from the project's construction activities for the poor, (ii) small contracts to local population, (iii) compliance with core labor standards, and (iv) HIV/AIDS awareness programs, for monitoring (which includes satisfactory implementation of environment and social safeguard requirements), and evaluating the performance of the Investment Program and each subproject in relation to the goals, purposes, and outputs of each subproject. .

### **VIII. GENDER AND SOCIAL DIMENSIONS**

43. Renewable energy projects add much needed generation capacity to the country's power supply mix, which contributes to better service delivery and indirectly to poverty reduction. Gender benefits are expected to be indirect. However, IREDA will work with its subborrowers to encourage them to identify and maximize opportunities for women's participation in all employment opportunities during construction, operation, and maintenance of the subprojects with and to promote adherence to national core labor standards and commitments to gender equality and women's empowerment as consistent with the Government of India's legislations and regulations.

### **IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION**

#### **A. Facility Design and Monitoring Framework**

44. Please see appendix 1 for the facility design and monitoring framework (DMF).

#### **B. Monitoring**

45. The monitoring criteria of the facility include (i) details of the subloans that receive the ADB financing, including their eligibility, technical, credit, risk assessments, and share of ADB financing; (ii) facility performance evaluation by using the targets, indicators, assumptions, and risks in the DMF, including how subborrowers are involved in the facility monitoring; (iii) compliance monitoring by verifying with which facility's regulatory, technical, environmental, social, financial, and other covenants are complied; (iv) safeguards monitoring by verifying with which the activities identified in the ESMS are complied; and (v) procurement procedures undertaken by borrowers and subborrowers that are complied with Section VI.

46. The above mentioned monitoring are carried out at three distinct levels:

- (i) IREDA,
- (ii) IREDA's Board of Directors, and

## (iii) ADB.

47. IREDA will prepare monitoring and review (progress) reports to ADB on a regular basis (see Section D). ADB has the discretion to conduct its own independent assessments to verify the results of the monitoring reports submitted by IREDA. A tripartite review meeting will be held among the Government of India, ADB and IREDA at least twice during each tranche disbursement. The timing of the completion of the monitoring reports will be the 10<sup>th</sup> day of the month following the completion of the operation of the previous six months.

### C. Evaluation

48. ADB will conduct a midterm review of the facility at the half-point of implementation. The midterm review and final tranche review will cover contract awards and disbursement, implementation progress including progress against institutional development and capacity building milestones, social and environmental aspects, and the status of the investment program performance management system. The midterm review and final tranche review will identify problems or weaknesses in the implementation arrangements, suggest nominal changes in scope, outputs, and due diligence, and agree on suggested changes for the subsequent disbursements. Within 6 months of the physical completion of the entire facility, IREDA will submit a facility completion report to ADB to summarize all the items identified under para. 31 for the entire MFF.<sup>20</sup>

### D. Reporting

49. IREDA, through its PMU, will prepare monitoring and review (progress) reports on a semi-annual basis for submission to ADB for review. The semiannual progress reports will provide (i) a narrative description of progress made during the review period including the types of technologies financed, disbursement, safeguard due diligence and compliance; (ii) quantitative data on disbursement volume and schedule and relevant subproject financial data; (iii) issues; and (iv) plans for the subsequent reporting period. In addition, the report should include a narrative description and assessment of procurement processes and arrangements in accordance with ADB's Procurement Guidelines and Guidelines on the Use of Consultants (March 2013 as amended from time to time). Finally, IREDA shall submit to ADB the unaudited and when available audited financial statements on an annual basis. The progress reports will be in a format consistent with ADB's facility performance reporting system (see Appendix 10).

### E. Stakeholder Communication Strategy

50. Communications activities will focus on media and corporate communications regarding the value of ADB's sustained partnership with IREDA and the potential and actual positive outcomes made possible by the MFF. These can contribute to encouraging active use of the facility and raising broad awareness of ADB, IREDA, and the benefits of renewable energy and energy efficiency.

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<sup>20</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

## **X. INSTITUTIONAL CAPACITY OF IREDA**

51. IREDA has a robust, comprehensive institutional capacity development program, being undertaken with the support from development partners Agence Française de Développement (AfD), Japan International Cooperation Agency (JICA), and German development cooperation through KfW. KfW currently covers risk management, credit risk rating system, and international financial reporting standards. AfD has ongoing TA assistance totaling €300,000 focusing on new renewable energy technologies. JICA currently covers new renewable energy technologies, financial mechanisms for commercialization, and a computerized database for project monitoring and performance evaluation. ADB may explore complementing these ongoing efforts including future technical assistances towards enhancement of capacity development of IREDA. All capacity development work will be provided to IREDA in a coordinated, structured, and harmonized manner to incorporate the tasks designed by different development partners at different time frames/loan tranches over the ADB facility implementation. This will provide substantial gains to IREDA as the systems developed will be applicable across all development partners overtime (i.e., one ESMS that meets government and development partners' requirements). Under tranche 1, ADB will help IREDA operationalize its new ESMS and strengthen its financial management practice by updating its credit risk management system and maintaining a gross NPL level below 3.9%.<sup>21</sup> Subsequently, ADB will implement liquidity gap reporting and interest rate risk gap reporting, separate credit and treasury functions, and obtain major credit rating agencies' rating such as from CRISIL, ICRA, etc. In view of evolving enhancement in capacity development needs over a 10-year implementation period, and size of on-going TA programs from the development partners, the capacity development cost for IREDA is estimated at \$1 million.<sup>22</sup>

## **XI. ANTICORRUPTION POLICY**

52. IREDA is advised of ADB's Anticorruption Policy (1998, as amended to date). Consistent with its commitment to good governance, accountability and transparency, implementation of the subprojects under the Facility shall adhere to ADB's Anticorruption Policy. ADB reserves the right to review and examine, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the subprojects under the Facility. In this regard, investigation of government officials, if any, would be requested by ADB to be undertaken by the government. To support these efforts, relevant provisions of ADB's Anticorruption Policy are included in the facility framework agreement and the bidding documents. In particular, all contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of IREDA, the subborrowers and all contractors, suppliers, consultants, and other service providers as they relate to the subprojects under the facility. Individuals and entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activities and may not be awarded any contracts under the facility.<sup>23</sup>

53. Under IREDA's operations manual, IREDA discloses to its board all financial relationships and transactions of nonexecutive directors in its annual report. The compensation of all board members is also disclosed. IREDA management is required to disclose to the board all material, financial, and commercial transactions where members of management have a personal interest and transactions where such members have a potential conflict of interest with

<sup>21</sup> The ADB support on ESMS comes from the facility project preparatory technical assistance.

<sup>22</sup> The TA in this regard is expected to be included in the upcoming Country Operations Business Plan (COBP), subject to relevant approvals of ADB and Government of India.

<sup>23</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/site/integrity/main>.

the interests of IREDA.<sup>24</sup> In the event that a director is an interested party in a transaction (based on disclosure), the director may not, in any way, take part in or influence arrangements in the transaction, in accordance with Section 300(1) of the Companies Act.

54. ADB's Anticorruption Policy designates the Office of Anticorruption and Integrity<sup>25</sup> as the point of contact to report allegations of fraud or corruption among ADB-financed projects or its staff. Office of Anticorruption and Integrity is responsible for all matters related to allegations of fraud and corruption. For a more detailed explanation refer to the Anticorruption Policy and Procedures. Anyone coming across evidence of corruption associated with the Project may contact the Anticorruption Unit by telephone, facsimile, mail, or email at the following numbers/addresses:

- by email at [integrity@adb.org](mailto:integrity@adb.org) or [anticorruption@adb.org](mailto:anticorruption@adb.org)
- by phone at +63 2 632 5004
- by fax to +6326362152
- by mail at the following address (**Please mark correspondence Strictly Confidential**):

Office of Anticorruption and Integrity  
Asian Development Bank  
6 ADB Avenue  
Mandaluyong City 1550  
Metro Manila, Philippines

## XII. ACCOUNTABILITY MECHANISM

55. People who are, or may in the future be, adversely affected under a subproject may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>26</sup>

## XIII. RECORD OF FAM CHANGES

56. This section will retain all revisions and updates that occur during implementation to provide a chronological history of changes.

<sup>24</sup> Nondisclosure is a punishable offense under Section 299(4) of the Companies Act.

<sup>25</sup> ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>.

<sup>26</sup> For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>.



## DESIGN AND MONITORING FRAMEWORK FOR THE INVESTMENT PROGRAM

| Design Summary  | Performance Targets and Indicators with Baselines  | Data Sources and Reporting Mechanisms   | Assumptions and Risks   |
|---|--|---|---|
| <b>Impact</b><br>Increased renewable energy infrastructure.   | <p>Installed generation capacity of renewable energy is 16.5% of total capacity by 2027 (2013 baseline is 9.25%)</p> <p>At least 70.0GW of renewable energy capacity is added by 2027 (2013 baseline is 29.5GW)</p>  | <p>CEA annual reports.</p> <p>MNRE and MOP annual reports.</p> <p>CEA annual reports.</p> <p>MNRE and MOP annual reports.</p> | <p><b>Assumption</b><br/> Continued energy sector reforms such as development of a robust renewable energy certificate market, reduction in fossil fuel subsidies, and fair tariff setting.</p> <p><b>Risk</b><br/> Protracted economic slowdown in the international and domestic markets may reduce investor appetite in renewable energy projects.</p> |
| <b>Outcome</b><br>Facilitated investment in renewable energy.   | <p>By 2024, \$200 million of additional finance and about \$300 million private sector equity and other funds leveraged by IREDA in order to achieve \$1 billion of investments in renewable energy.<sup>A</sup> (2014 baseline data: 0)</p> <p>By 2024, at least 990 MW of additional renewable energy capacity added through IREDA's provision of long-term financing, generating an estimated 3,900GWh of electricity annually.<sup>B</sup> (2014 baseline data: 0)</p> <p>By 2024, approximately 3.2 million additional tons of CO<sub>2</sub> avoided annually.<sup>C</sup> (2014 baseline data: 0)</p> | <p>For all indicators: IREDA annual report and other project-specific reports.</p>  | <p><b>Assumption</b><br/> Conducive government policy on renewable energy will be maintained.</p> <p>Private sector demand for renewable energy will be maintained.</p> <p><b>Risks</b><br/> Increase in borrowing costs could hinder demand for renewable energy project funding.</p>  |
| <b>Outputs</b><br>1. Enhanced availability of long-term financing to support renewable energy projects. | <p>At least 30 private sector subprojects approved and funded by IREDA under this MFF by 2024 (footnote B). (2014 baseline data: 0)</p>  | <p>For all indicators: Project-specific reports from IREDA.</p> <p>ADB project review missions and staff</p>                  | <p><b>Assumptions</b><br/> IREDA and the project developers make available sufficient counterpart funds in a timely manner.</p>   |

| Design Summary                               | Performance Targets and Indicators with Baselines   | Data Sources and Reporting Mechanisms  | Assumptions and Risks  |
|--|---|--|--|
| 2. Improved institutional capacity of IREDA. | <p>Timely disbursement of tranches.</p> <p><b>Environment and Social Safeguards.</b><br/>An integrated ESMS approved and operational by December 2014.</p> <p>ADB's environment and social safeguard system and other ADB facility agreements independently and successfully implemented by IREDA (by December 2016).</p> <p><b>Project Administration.</b><br/>ADB facility approval, disbursement, and liquidation successfully carried out by IREDA on a timely basis and an NPL level below 3.9% of disbursed subprojects maintained by IREDA (by March 2015). (2013 baseline: gross NPL 3.9%)</p> <p><b>Operations.</b> Enhanced comprehensive capacity building plan for financing and credit risk management developed by IREDA by the end of 2018</p> <p><b>Monitoring and Review.</b><br/>Semi-annual performance reports including risk management reports submitted to ADB by December 2018.</p> | <p>reports.</p> <p>IREDA annual reports.</p> <p>IREDA facility progress reports and risk management reports.</p> | <p>Capacity development plan of development partners are successfully carried out.</p> <p>IREDA's developed staff capacity is maintained throughout the facility's implementation period.</p> <p><b>Risk</b><br/>IREDA's portfolio quality deteriorates.</p> <p>Adverse economic and/or policy conditions affect the forecasted demand for pipeline subprojects.</p> |

| Activities with Milestones   | Inputs  |      |                     |            |        |                    |        |                           |        |       |                   |
|--|---|------|---------------------|------------|--------|--------------------|--------|---------------------------|--------|-------|-------------------|
| 1. Enhanced availability of long-term financing to support renewable energy projects (first tranche by December 2014, second tranche by December 2017, and third tranche by December 2020) | <table> <tr> <th>Item</th><th>Amount (\$ million)</th></tr> <tr> <td>ADB (Loan)</td><td>500.00</td></tr> <tr> <td>Unrestricted funds</td><td>200.00</td></tr> <tr> <td>Project Developers/Others</td><td>300.00</td></tr> <tr> <td>IREDA</td><td>Counterpart staff</td></tr> </table> | Item | Amount (\$ million) | ADB (Loan) | 500.00 | Unrestricted funds | 200.00 | Project Developers/Others | 300.00 | IREDA | Counterpart staff |
| Item   | Amount (\$ million)   |      |                     |            |        |                    |        |                           |        |       |                   |
| ADB (Loan)   | 500.00  |      |                     |            |        |                    |        |                           |        |       |                   |
| Unrestricted funds   | 200.00  |      |                     |            |        |                    |        |                           |        |       |                   |
| Project Developers/Others  | 300.00  |      |                     |            |        |                    |        |                           |        |       |                   |
| IREDA  | Counterpart staff   |      |                     |            |        |                    |        |                           |        |       |                   |
| 1.1 ADB provides \$500 million credit line to IREDA to provide required long-term funds to onlend to   |   |      |                     |            |        |                    |        |                           |        |       |                   |

|   |  |
|---|--|
| <p>eligible renewable energy subprojects (three tranches in accordance with the disbursement rate).</p>   |  |
| <p>1.2 IREDA sources, appraises, and funds renewable energy projects using the ADB facility in a satisfactory manner to promote private sector renewable energy (continuous).</p> <p>1.3 IREDA leverages the ADB facility to catalyze private sector finance in terms of both equity and debt financing (continuous).</p> <p><b>2. Improved institutional capacity of IREDA (by December 2018).</b></p> <p>2.1 IREDA establishes an ESSU by May 2014 and makes it operational prior to the first drawdown of the ADB funds to implement ADB's environment and social safeguard system.</p> <p>2.2 An adequate number of IREDA staff will be trained on subproject implementation and administration by December 2018.</p> <p>2.3 IREDA improves its financial and credit risk management and other areas under the facility's capacity development plan.</p> <p>2.4 IREDA improves its subproject monitoring, review, and reporting process by December 2017.</p> <p>2.5 Based on its business plan and the MOU signed with MNRE, IREDA develops its human resources, information technologies, and financial and risk management (continuous).</p> |  |

ADB = Asian Development Bank; CEA = Central Electricity Authority, Government of India; CO<sub>2</sub> = carbon dioxide; CSO = Central Statistical Organization; ESMS = Environmental and Social Management System; ESSU = environment and social safeguard unit; GDP = Gross Domestic Product; GW = gigawatt; IREDA = Indian Renewable Energy Development Agency Limited; MFF = multitranchise financing facility; MNRE = Ministry of New and Renewable Energy; MOP = Ministry of Power; MOU = memorandum of understanding; NPL = nonperforming loan; RBI = Reserve Bank of India.

<sup>A</sup> This is based on a 70%/30% debt equity ratio and \$1 billion total subproject costs funded under the Facility (including subborrower equity and additional financing).

<sup>B</sup> The 990 MW figure is based on a near-term historical and pipeline average cost per subproject and MW capacity per subproject, such that the \$500 million ADB facility plus subborrower equity and additional financing is estimated to fund at least 30 subprojects totaling about 990 MW. This figure includes bagasse cogeneration facilities. Electricity generation calculations assume the 990 MW consists of an assumption of 20% wind, 13% solar, 33% hydropower, and 25% cogeneration. (Actual percentages may vary.) Capacity factors for wind, solar, hydropower, and cogeneration of 0.3, 0.1, 0.45, and 0.7, respectively.

<sup>C</sup> Greenhouse gas emission reduction calculated using the estimated annual GWh produced annually, and using the weighted average emission factor for the Indian power grid of 0.82, published by the CEA. Reference [http://www.cea.nic.in/reports/planning/cdm\\_co2/user\\_guide\\_ver9.pdf](http://www.cea.nic.in/reports/planning/cdm_co2/user_guide_ver9.pdf).

Source: Asian Development Bank estimates.

## ADB PROHIBITED INVESTMENT ACTIVITIES LIST

The following do not qualify for Asian Development Bank financing:

- (i) production or activities involving harmful or exploitative forms of forced labor<sup>1</sup> or child labor;<sup>2</sup>
- (ii) production of or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements or subject to international phaseouts or bans, such as (a) pharmaceuticals,<sup>3</sup> pesticides, and herbicides,<sup>4</sup> (b) ozone-depleting substances,<sup>5</sup> (c) polychlorinated biphenyls<sup>6</sup> and other hazardous chemicals,<sup>7</sup> (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora,<sup>8</sup> and (e) transboundary trade in waste or waste products;<sup>9</sup>
- (iii) production of or trade in weapons and munitions, including paramilitary materials;
- (iv) production of or trade in alcoholic beverages, excluding beer and wine;<sup>10</sup>
- (v) production of or trade in tobacco;<sup>10</sup>
- (vi) gambling, casinos, and equivalent enterprises;<sup>10</sup>
- (vii) production of or trade in radioactive materials,<sup>11</sup> including nuclear reactors and components thereof;
- (viii) production of, trade in, or use of unbonded asbestos fibers;<sup>12</sup>
- (ix) commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
- (x) (x) marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.

<sup>1</sup> Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.

<sup>2</sup> Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" ([www.ilo.org](http://www.ilo.org)).

<sup>3</sup> A list of pharmaceutical products subject to phaseouts or bans is available at <http://www.who.int>.

<sup>4</sup> A list of pesticides and herbicides subject to phaseouts or bans is available at <http://www.pic.int>.

<sup>5</sup> A list of the chemical compounds that react with and deplete stratospheric ozone resulting in the widely publicized ozone holes is listed in the Montreal Protocol, together with target reduction and phaseout dates. Information is available at <http://www.unep.org/ozone/montreal.shtml>.

<sup>6</sup> A group of highly toxic chemicals, polychlorinated biphenyls are likely to be found in oil-filled electrical transformers, capacitors, and switchgear dating from 1950 to 1985.

<sup>7</sup> A list of hazardous chemicals is available at <http://www.pic.int>.

<sup>8</sup> A list is available at <http://www.cites.org>.

<sup>9</sup> As defined by the Basel Convention; see <http://www.basel.int>.

<sup>10</sup> This does not apply to project sponsors who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to a project sponsor's primary operations.

<sup>11</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment for which ADB considers the radioactive source to be trivial and adequately shielded.

<sup>12</sup> This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.

## WITHDRAWAL APPLICATION FORM FOR IMPREST FUND

Asian Development Bank



Date \_\_\_\_\_

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

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

|                      |   |
|----------------------|---|
| ADB Loan No.         | _____   |
| Application No.      | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>  |
| Type of Disbursement | <input type="checkbox"/> Initial Advance<br><input type="checkbox"/> Additional Advance<br><input type="checkbox"/> Liquidation and Replenishment<br><input type="checkbox"/> Liquidation Only* |

Sir/Madam:

1. In connection with the Loan Agreement dated \_\_\_\_\_ between the Asian Development Bank and the \_\_\_\_\_ (Borrower), please pay from the loan account for the purpose of establishing/replenishing the imprest fund.

| Currency | Amount to be Paid (in figures) | Amount to be paid (in words) |
|----------|--------------------------------|------------------------------|
|          |                                |                              |

2. The borrower certifies and agrees as follows:

- The said amount is required for payment of eligible expenditures as described in the attached estimate of expenditures sheet(s) from \_\_\_\_\_ (date/month/year) to \_\_\_\_\_ (date/month/year).
- Any advances by the Asian Development Bank (ADB) to the imprest account may be limited to a sum equal to or smaller than the amount requested for advances or replenishment.
- The undersigned has not previously withdrawn or applied for withdrawal of any amounts from said loan account nor obtained or will obtain any loan, credit, or grant for the purpose of fully or partially meeting the expenditures described in the estimate of expenditures sheet(s), Summary Sheet(s), and/or statement of expenditures (SOE).
- The goods or services have been procured in accordance with the Loan Agreement and the cost and terms of the purchase thereof are reasonable and in accordance with the relevant contract(s).
- The goods or services were or will be produced in and supplied by a member country of ADB as specified in the attached summary sheet(s) or SOE.
- The expenditures described in the attached estimate of expenditures sheet(s), Summary Sheet(s), and/or SOE are to be made for the purposes specified in the Loan Agreement and in accordance with its terms and conditions.
- The undersigned will furnish supporting documents satisfactory to ADB to liquidate the advance, or will refund any unliquidated advance.
- For expenditures to be liquidated on the basis of an SOE, all authenticating documents will be retained in the appropriate location (e.g., executing/implementing agency's office) and will be made available for examination by auditors and ADB representatives upon request.
- As of the date of this application, there is no existing default under the Loan Agreement, the Project Agreement, or the Guarantee Agreement, if any.
- If any funds withdrawn pursuant to this application are returned, the current value of such funds will be applied as credit to the loan account or, if the amount is small, applied to the next loan service payment due.

3. Payment Instructions (\*Not required in the case of liquidation only):

## A. Payee's Name and Address

Payee's Name \_\_\_\_\_

Payee's Address \_\_\_\_\_

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

Bank Name \_\_\_\_\_

Bank Address \_\_\_\_\_

Payee's Account No. \_\_\_\_\_

SWIFT Code \_\_\_\_\_

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

Bank Name \_\_\_\_\_

Bank Address \_\_\_\_\_

Account No. of \_\_\_\_\_

Payee's Bank \_\_\_\_\_

SWIFT Code \_\_\_\_\_

## D. Special Payment Instructions and Other References

\_\_\_\_\_

\_\_\_\_\_

4. This application consists of \_\_\_\_\_ pages including \_\_\_\_\_ pages of Summary Sheets or SOE.  
From:

\_\_\_\_\_  
Signature of Authorized Representative(s)\_\_\_\_\_  
Printed Name/Position/Title of Authorized Representative(s)

**Instructions for preparing the Withdrawal Application Form for Imprest Fund  
(ADB Form No. ADB-IFP)**

**General Instructions**

1. Submit original withdrawal application (WA) form to the Asian Development Bank (ADB) (or to its resident/regional Mission, if instructed).
2. Number WAs consecutively, not exceeding five digits or characters.
3. For replenishment of advances, consolidate claims until the amount being withdrawn is at least US\$100,000 equivalent or an amount advised by ADB.
4. When the application is completed, verify completeness of supporting documentation and accuracy of details before passing to the authorized representative(s) for signature. Mistakes and omissions result in delayed payment.

**Withdrawal References**

5. **Date:** Enter the date WA is signed by authorized representative(s), not the date it was prepared.
6. **Loan Number:** Show ADB loan number clearly.
7. **Application Number:** Number WAs consecutively. If the project has more than one executing agency (EA) or implementing agency, the project coordinator should assign an alpha identification for each EA, e.g., A0001 to A9999 for EA no. 1 and B0001 to B9999 for EA no. 2.
8. **Type of Disbursement:** Indicate in the appropriate box the type of WA claim, whether for initial advance, additional advance, liquidation and replenishment, or liquidation only.

**Estimate of Expenditures Sheet (ADB Form No. ADB-IFP-EES)**

**For Initial Advance and Additional Advance:**

9. Provide all details as required in form ADB-IFP-EES. Estimated expenditures should normally be based on the amount of contracts awarded and to be awarded.
10. For expenditures related to operational costs, the amount should be linked to the project's annual budget provision.

**For Liquidation and Replenishment:**

11. In addition to 1 and 2 above, before submitting the WA, obtain appropriate procurement contract summary sheet (PCSS) numbers from ADB's sector division/resident mission concerned.
12. Where the statement of expenditures (SOE) is not allowed, submit full supporting documents required under section 10.35 of the handbook.

**Payment Instructions**

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

### ESTIMATE OF EXPENDITURES TO BE FINANCED FROM THE IMPREST ACCOUNT -

Asian Development Bank **ADB**

ADB Loan No.: \_\_\_\_\_ Application No.: \_\_\_\_\_ Date: \_\_\_\_\_

Category No.: Estimate Sheet No.: <sup>b</sup>[illegible]

By: \_\_\_\_\_  
(Representative Name and Signature)<sup>d</sup>

(Position / Title of Representative)<sup>d</sup>

**Next:**

- Estimate of expenditures should normally be for the forthcoming 6-month period.
- A separate estimate of expenditure should be used for each cost category. The borrower, executing agency, or implementing agency, as appropriate, should not request advances for the cost categories, components, or expenditures subject to conditions for withdrawal (or disbursement conditions) which have not been met.
- Refer to terms of payment for each contract and indicate the amount needed in the currency of expenditure. The amount in this column should not exceed the corresponding amount in the column "Contract Amount."
- Representative of executing agency or implementing agency which prepared the estimate.







# IMPREST ACCOUNT RECONCILIATION STATEMENT (IARS)

LOAN NO. \_\_\_\_\_

Application Number \_\_\_\_\_  
Bank Account Number \_\_\_\_\_

With (Bank) \_\_\_\_\_  
Bank Address \_\_\_\_\_

**1 PRESENT OUTSTANDING AMOUNT ADVANCED TO THE IMPREST ACCOUNT NOT YET RECOVERED** US\$ **4,000,000.00**

**2 BALANCE of Imprest account as of \_\_\_\_\_** US\$ **XXX, XXX.XX**  
per bank statement (copy attached)

**3 ADD: Amount of eligible expenditures claimed in attached application (WA no. \_\_\_\_\_)** US\$ **XXX, XXX.XX**

**4 ADD: Amount claimed in previous applications not yet credited at date of bank statement** US\$ **XXX, XXX.XX**

**Withdrawal Application No.**

XXXXX

US\$

**Amount**

XXX, XXX.XX

XXXXX

US\$

XXX, XXX.XX

XXXXX

US\$

XXX, XXX.XX

**5 TOTAL expenditures withdrawn from Imprest account but not yet claimed for replenishment**

**a. Sub-accounts <sup>1</sup>**

a.1 Total sub-account balance accounted for PIU#1 US\$ XXX, XXX.XX

a.2 Total sub-account balance accounted for PIU#2 US\$ XXX, XXX.XX

a.3 Total sub-account balance accounted for PIU#3 US\$ XXX, XXX.XX

a.4 Total sub-account balance accounted for PIU#4 US\$ XXX, XXX.XX

a.5 Total sub-account balance accounted for PIU#5 US\$ XXX, XXX.XX

Total sub-account balances accounted for US\$ XXX, XXX.XX

**b. Transfer in transit** US\$ XXX, XXX.XX

**c. Petty cash balance** US\$ XXX, XXX.XX

**d. Unliquidated expenses (Itemize expenses)** US\$ XXX, XXX.XX

**e. Others (please specify)** US\$ XXX, XXX.XX

US\$ XXX, XXX.XX

**6 TOTAL ADVANCE ACCOUNTED FOR** US\$ **4,000,000.00**

*Explanation of any discrepancy between totals appearing in lines 1 and 6 above (e.g., earned interest credited to the account, bank charges, etc.):*

**7 IMPREST ACCOUNT TURNOVER RATIO, estimate (see attachment to IARS)** **1.60**

**8 APPROPRIATE LEVEL OF IMPREST ACCOUNT ADVANCE (Item 1 x Item 7 x 6/12)** US\$ **3,200,000.00**

**9 REQUESTED LEVEL OF IMPREST ACCOUNT ADVANCE** US\$ **4,000,000.00**

Attach the latest estimate of expenditures (use the form of Appendix 10B) if the amount of Item 9 is larger than the lower of Item 1 or Item 8. (Read *Loan Disbursement Handbook* sections 10.19 and 10.21.)

\_\_\_\_\_  
Signature, name, and title of representative of the entity (e.g., EA, IA) which hold the title of the Imprest account

**NOTES:**

**1** List all existing sub-accounts with corresponding amount advanced. Reconciliation statements and bank statements for sub-accounts should be retained at the office of the borrower and/or EA.

**2** All figures are indicated only for illustration purposes.

## Attachment to Imprest Account Reconciliation Statement (IARS)

## ESTIMATION OF IMPREST ACCOUNT TURNOVER RATIO

LOAN/GRANT/NO. \_\_\_\_\_

Application Number \_\_\_\_\_ With (Bank) \_\_\_\_\_  
 Account Number \_\_\_\_\_ Bank Address \_\_\_\_\_

## 10 CALCULATION OF AVERAGE OF ADVANCE

|  |                  |    |            |
|--|------------------|----|------------|
| Outstanding Advance as of the latest month-end               | [e.g., Sep-11]   | \$ | 4,000,000  |
| Outstanding Advance as of every month-end in the past 1 year | Aug-11           | \$ | 4,000,000  |
|  | Jul-11           | \$ | 4,000,000  |
|  | Jun-11           | \$ | 2,000,000  |
|  | May-11           | \$ | 2,000,000  |
|  | Apr-11           | \$ | 2,000,000  |
|  | Mar-11           | \$ | 2,000,000  |
|  | Feb-11           | \$ | 2,000,000  |
|  | Jan-11           | \$ | 2,000,000  |
|  | Dec-10           | \$ | 2,000,000  |
|  | Nov-10           | \$ | 2,000,000  |
|  | Oct-10           | \$ | 2,000,000  |
|  | TOTAL            | \$ | 30,000,000 |
|  | NUMBER OF MONTHS |    | 12         |
| AVERAGE OF ADVANCE IN THE PAST 1-YEAR (A)                    |                  | \$ | 2,500,000  |

## 11 CALCULATION OF CUMULATIVE AMOUNT OF LIQUIDATION

| WA No.  | <u>Date of<br/>Liquidation</u><br>(Note 1) | <u>Amount of<br/>Liquidation (Note 1)</u> |
|---|--|---|
| A0066   | 9-Sep-11                                   | \$ 1,507,890                              |
| A0055   | 8-Aug-11                                   | \$ 1,234,567                              |
| A0044   | 5-May-11                                   | \$ 789,012                                |
| A0033   | 2-Feb-11                                   | \$ 345,678                                |
| A0022   | 11-Nov-10                                  | \$ 123,456                                |
| AMOUNT OF CUMULATIVE LIQUIDATION IN THE PAST 1-YEAR (B) |  | \$ 4,000,603                              |

## 12 IMPREST ACCOUNT TURNOVER RATIO = amounts (B)/(A) (to be stated in item 7 of IARS) 1.60

This estimate is for the purpose of the borrower/EA's monitoring of the turnover ratio.

## NOTES:

- 1 All amounts and date of liquidation should be based on data available at the LFIS/GFIS.
- 2 All figures are indicated only for illustration purposes. Other free format may be acceptable, if calculation of turnover ratio is substantially the same as the ADB's information system (e.g., LFIS) or the above.

**EVIDENCE OF AUTHORITY TO SIGN WITHDRAWAL APPLICATIONS**

(This model form is used when a blanket authorization has not been provided.)

[Letterhead of  
The representative of the Borrower/Recipient]  
[Street address]  
[City] [Country]

[DATE]

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

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

Dear Sir/Madam:

**Subject: Loan {Grant} No. \_\_\_\_ - \_\_\_\_ (Project Name)**

I refer to the Loan {Grant} Agreement (the "Agreement") between the Asian Development Bank ("ADB") and [name of borrower {recipient}] (the "borrower" {the "recipient"}), dated \_\_\_\_\_, providing the above Loan {Grant}. For the purposes of Article [put appropriate Article number] as defined in the Agreement, the person(s) whose authenticated specimen signature(s) appear below is authorized on behalf of the borrower {recipient} to sign withdrawal application(s) and applications for issuance of commitment letter(s) under this Loan {Grant}:

[Name], [position]    Specimen Signature: \_\_\_\_\_

[Name], [position]    Specimen Signature: \_\_\_\_\_

[Name], [position]    Specimen Signature: \_\_\_\_\_

(Stipulate if more than one person needs to sign withdrawal applications, and how many or which positions, and if any thresholds apply.)

Yours faithfully,

/ signed /

Signed by: \_\_\_\_\_

[Title of the Borrower/Recipient's  
Designated Representative,  
as provided in the Loan {Grant} Agreement]

**SAMPLE LETTER FOR AUDIT****ASIAN DEVELOPMENT BANK**

Regional Department  
Sector Division/Regional or Resident Mission

[Date]

[The Borrower]  
Dear Sir/Madam:

**Subject: Clean Energy Finance Investment Program  
Financial Reporting and Auditing Requirements**

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

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

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

4. The following are the main requirements:

ADB requires IREDA to maintain a separate account and records related to the facility to ensure that the loan fund is used only for the objectives set out in the loan agreement.

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

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

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

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

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

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

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

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

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

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

Yours sincerely,

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

cc: IREDA  
(External auditor of the Borrower)

## **PRO FORMA FACILITY PROGRESS REPORT**

### **A. Introduction and Basic Date**

1. Provide the following:
  - i. ADB loan number, facility title, borrower, executing agency, implementing agency;
  - ii. Total estimated facility cost and financing plan;
  - iii. Status of facility financing including availability of counterpart funds;
  - iv. Dates of approval, signing, and effectiveness of ADB loan;
  - v. Original and revised (if applicable) ADB loan closing date and elapsed loan period based on original and revised (if applicable) loan closing dates; and
  - vi. Date of last ADB review mission.

### **B. Utilization of Funds** (ADB loan, cofinancing, and counterpart funds)

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

### **C. Facility Purpose**

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

### **D. Implementation Progress**

4. Provide the following.
  - i. Assessment of facility implementation arrangements such as establishment, staffing, and funding of the PMU;
  - ii. Information relating to other aspects of the executing agency's internal operations that may impact on the implementation arrangements or facility progress;
  - iii. Progress or achievements in implementation since the last progress report;

- iv. Assessment of the progress of each facility component, such as:
  - a. Recruitment of consultants and their performance;
  - b. Procurement of goods and works (from preparation of detailed designs and bidding documents to contract awards); and
  - c. The performance of suppliers, manufacturers, and contractors for goods and works contracts.
- v. Assessment of progress in implementing the overall facility to date in comparison with the original implementation schedule—quantifiable and monitorable targets, (include simple charts such as bar or milestone to illustrate progress, a chart showing actual versus planned expenditure, S-curve graph showing the relationship between physical and financial performance, and actual progress in comparison with the original schedules and budgets, the reference framework or guidelines in calculating the facility progress; and
- vi. An assessment of the validity of key assumptions and risks in achieving the quantifiable implementation targets.

#### **E. Compliance with Covenants**

- 5. Provide the following.
  - i. The Borrower's compliance with policy loan covenants such as sector reform initiatives and executing agency (EA) reforms and the reasons for any noncompliance or delay in compliance;
  - ii. The Borrower's and EA's compliance with financial loan covenants including the EA's financial management and the provision of audited project financial statements or audited agency financial statements; and
  - iii. The Borrower's and EA's compliance with facility-specific loan covenants associated with implementation, environment, and social dimensions.

#### **F. Major Facility Issues and Problems**

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



## INDICATIVE SUPROJECTS

## New Projects

| Approval Date | Applicant Name                             | Sector Description | Capacity (MW) | Eligible ADB Financing Loan Amount (USD) | Loan Amount (Rs. Lakhs) | Project Cost (Rs. Lakhs) | Project Site     |
|---------------|--|--------------------|---------------|--|-------------------------|--------------------------|------------------|
| 26-Mar-14     | Andhra Pradesh State Financial Corporation | Various            | n/a           | \$33,333,333                             | ₹ 20,000                | n/a                      | Andhra Pradesh   |
| 17-Oct-13     | Lokmangal Mauli Industries Limited         | Co-generation      | 30            | \$13,126,667                             | ₹ 8,952                 | ₹ 15,752                 | Maharashtra      |
| 30-Oct-13     | Siddhivinayak Sugars Ltd.                  | Co-generation      | 12            | \$4,333,333                              | ₹ 3,640                 | ₹ 5,200                  | Maharashtra      |
| 8-Nov-13      | Siddhanath Sugar Mills Limited             | Co-generation      | 26            | \$6,623,333                              | ₹ 3,974                 | ₹ 10,584                 | Maharashtra      |
| 20-Nov-13     | Samrudhi Sugars Limited                    | Co-generation      | 10            | \$3,550,000                              | ₹ 2,800                 | ₹ 4,260                  | Maharashtra      |
| 22-Jan-14     | Mylar Sugars Limited                       | Co-generation      | 18            | \$11,405,000                             | ₹ 6,843                 | ₹ 19,800                 | Karnataka        |
| 21-Feb-14     | Vitthal Refined Sugars Ltd                 | Co-generation      | 26            | \$11,538,333                             | ₹ 9,692                 | ₹ 13,846                 | Maharashtra      |
| 30-May-14     | Soubhagya Laxmi Sugars Limited             | Co-generation      | 18            | \$7,265,833                              | ₹ 6,000                 | ₹ 8,719                  | Karnataka        |
| 23-Aug-13     | Sikkim Hydro Power Ventures Limited        | Hydro              | 66            | \$29,166,667                             | ₹ 17,500                | ₹ 49,644                 | Sikkim           |
| 19-Nov-13     | Nagarjuna Hydro Energy Private Limited     | Hydro              | 15            | \$8,000,000                              | ₹ 6,000                 | ₹ 9,600                  | Karnataka        |
| 5-Dec-13      | Taranda Hydro Power Private Limited        | Hydro              | 1             | \$2,563,333                              | ₹ 1,538                 | ₹ 7,983                  | Himachal Pradesh |
| 28-Feb-14     | Gangadari Hydro Power Pvt. Ltd             | Hydro              | 4             | \$1,908,333                              | ₹ 1,145                 | n/a                      | Himachal Pradesh |
| 27-Mar-14     | Super Hydro Electric Private Limited       | Hydro              | 24            | \$23,088,333                             | ₹ 19,394                | ₹ 27,706                 | Uttarakhand      |
| 28-Mar-14     | Super Hydro Electric Private Limited       | Hydro              | 4             | \$3,462,500                              | ₹ 2,909                 | ₹ 4,155                  | Uttarakhand      |
| 16-Apr-14     | Baitarani Power Projects Pvt. Ltd          | Hydro              | 24            | \$20,014,167                             | ₹ 16,812                | ₹ 24,017                 | Orissa           |

|           |   |            |    |              |          |          |                |
|-----------|---|------------|----|--------------|----------|----------|----------------|
| 17-Apr-14 | Brindavan Hydro Power Pvt Ltd               | Hydro      | 24 | \$14,166,667 | ₹ 12,000 | ₹ 17,000 | Karnataka      |
| 21-May-14 | Agnipa Energo Private Limited               | Hydro      | 2  | \$2,117,500  | ₹ 1,600  | ₹ 2,541  | Assam          |
| 18-Mar-14 | Pashupathinath Power Projects Pvt Ltd       | Solar Grid | 3  | \$868,333    | ₹ 521    | ₹ 2,604  | Andhra Pradesh |
| 27-Mar-14 | Helene Power Private Limited                | Solar Grid | 10 | \$5,830,833  | ₹ 4,898  | ₹ 6,997  | Karnataka      |
| 31-Mar-14 | Orissa Power Consortium Limited             | Solar Grid | 3  | \$1,790,833  | ₹ 1,504  | ₹ 2,149  | Andhra Pradesh |
| 9-Apr-14  | Azure Sun Shine Private Limited             | Solar Grid | 20 | \$14,333,333 | ₹ 11,800 | ₹ 17,200 | Rajasthan      |
| 9-Apr-14  | Azure Green Tech Private Limited            | Solar Grid | 40 | \$28,550,000 | ₹ 23,590 | ₹ 34,260 | Rajasthan      |
| 9-Apr-14  | Azure Clean Energy Private Limited          | Solar Grid | 40 | \$25,450,000 | ₹ 20,930 | ₹ 30,540 | Rajasthan      |
| 6-May-14  | Today Green Energy Pvt Ltd                  | Solar Grid | 50 | \$29,166,667 | ₹ 24,500 | ₹ 35,000 | Rajasthan      |
| 13-May-14 | Glatt Solutions P. Limited                  | Solar Grid | 3  | \$2,187,500  | ₹ 1,975  | ₹ 2,625  | Bihar          |
| 13-May-14 | Response Renewable Energy Limited           | Solar Grid | 10 | \$7,291,667  | ₹ 6,160  | ₹ 8,750  | Bihar          |
| 20-May-14 | Omega Solar Projects Private Limited        | Solar Grid | 10 | \$6,165,000  | ₹ 5,176  | ₹ 7,398  | Punjab         |
| 21-May-14 | RDA Energy Privated Limited                 | Solar Grid | 10 | \$6,627,500  | ₹ 5,567  | ₹ 7,953  | Rajasthan      |
| 26-May-14 | IL&FS Energy Development Company Ltd        | Solar Grid | 40 | \$27,500,000 | ₹ 19,600 | ₹ 33,000 | Madhya Pradesh |
| 26-May-14 | Rishabh Renergy Private Limited             | Solar Grid | 10 | \$6,833,608  | ₹ 5,600  | ₹ 8,200  | Rajasthan      |
| 27-May-14 | Starlite Global Enterprises (India) Limited | Solar Grid | 3  | \$1,570,833  | ₹ 943    | ₹ 1,885  | Andhra Pradesh |
| 11-Jun-14 | Nextgen Solux Power Private Limited         | Solar Grid | 1  | \$591,533    | ₹ 497    | ₹ 710    | Punjab         |
| 11-Jun-14 | Allianz Ecopower Private Limited            | Solar Grid | 2  | \$1,446,350  | ₹ 1,000  | ₹ 1,736  | Punjab         |
| 25-Jun-14 | Kranthi Edifice Private Limited             | Solar Grid | 10 | \$5,441,667  | ₹ 4,571  | ₹ 6,530  | Telangana      |

|           |   |                     |              |                      |                  |                  |                |
|-----------|---|---------------------|--------------|----------------------|------------------|------------------|----------------|
| 21-May-14 | Cambridge Energy Resources (P) Ltd                | Solar Off Grid      | n/a          | \$5,200,000          | ₹ 4,360          | ₹ 6,240          | Uttar Pradesh  |
| 10-May-14 | Gau Samridhi Pvt Ltd                              | Waste to Energy     | n/a          | \$141,667            | ₹ 128            | ₹ 170            | Haryana        |
| 10-Mar-14 | Symed Labs Limited                                | Wind                | 15           | \$8,766,667          | ₹ 7,364          | ₹ 10,520         | Maharashtra    |
| 15-Mar-14 | Gala Energy Private Limited                       | Wind                | 26           | \$12,924,167         | ₹ 10,856         | ₹ 15,509         | Gujarat        |
| 9-Apr-14  | Uttar Urja Projects Private Limited               | Wind                | 76           | \$22,500,000         | ₹ 13,500         | ₹ 54,000         | Madhya Pradesh |
| 9-Apr-14  | DJ Energy Private Limited                         | Wind                | 94           | \$27,500,000         | ₹ 16,500         | ₹ 66,000         | Madhya Pradesh |
| 3-May-14  | Renew Wind Energy (Rajasthan One) Private Limited | Wind                | 30           | \$15,604,167         | ₹ 14,044         | ₹ 18,725         | Rajasthan      |
| 23-Jun-14 | Renew Wind Energy Private Limited                 | Wind                | 101          | \$92,636,667         | ₹ 55,582         | n/a              | Rajasthan      |
| 23-Jun-14 | Green Infra Corporate Solar Limited               | Wind                | 38           | \$19,833,333         | ₹ 17,850         | ₹ 23,800         | Madhya Pradesh |
| 23-Jun-14 | Green Infra Corporate Solar Limited               | Wind                | 50           | \$25,000,000         | ₹ 15,000         | ₹ 31,200         | Rajasthan      |
|           |   | <b>Grand Total:</b> | <b>1,000</b> | <b>\$597,415,658</b> | <b>₹ 434,814</b> | <b>₹ 654,508</b> |                |

### Approved Subprojects (For Retroactive Finance)

| Approval Date | Applicant Name  | Sector Description              | Capacity (MW) | Eligible ADB Financing Loan Amount (USD) | Loan Amount (Rs. Lakhs) | Project Cost (Rs. Lakhs) | Project Site     |
|---------------|---|---------------------------------|---------------|--|-------------------------|--------------------------|------------------|
| 19-Mar-14     | M/S Gill Power General Co (P) Ltd                         | Hydro                           | 2             | \$770,833                                | ₹ 600                   | ₹ 925                    | Punjab           |
| 6-Feb-14      | Saroj Energy Company Pvt Ltd                              | Hydro                           | 2             | \$583,333                                | ₹ 350                   | ₹ 1,566                  | Karnataka        |
| 30-Dec-13     | K K K Hydro Power Ltd.                                    | Hydro                           | 5             | \$562,500                                | ₹ 675                   | ₹ 675                    | Himachal Pradesh |
| 2-Aug-13      | Bindu Vayu Urja Private Limited                           | Wind                            | 180           | \$8,333,333                              | ₹ 5,000                 | ₹ 113,300                | Rajasthan        |
| 3-May-13      | Teesta Urja Limited                                       | Hydro                           | 1,200         | \$31,508,333                             | ₹ 18,905                | ₹ 858,100                | Sikkim           |
| 3-May-13      | Ayyappa Hydro Power Limited                               | Hydro                           | 15            | \$12,216,283                             | ₹ 9,500                 | ₹ 14,660                 | Kerala           |
| 2-Aug-13      | Kamdar Infrastructure Pvt. Ltd.                           | Hydro                           | 4             | \$2,088,500                              | ₹ 1,750                 | ₹ 2,506                  | Maharashtra      |
| 1-Aug-13      | Wind World India Limited                                  | Wind                            | 0             | \$23,047,500                             | ₹ 13,829                | n/a                      | Gujarat          |
| 2-Aug-13      | Swasti Power Limited                                      | Hydro                           | 23            | \$13,452,875                             | ₹ 8,415                 | ₹ 16,143                 | Uttarakhand      |
| 2-Aug-13      | Utech Sugar Private Limited                               | Biomass Power and Co Generation | 15            | \$5,835,833                              | ₹ 4,900                 | ₹ 7,003                  | Maharashtra      |
| 6-Aug-13      | Wind World (India) Infrastructure Pvt. Ltd                | Wind                            | n/a           | \$13,395,833                             | ₹ 9,000                 | ₹ 16,075                 | Karnataka        |
| 11-Sep-13     | Rana Power Limited  | Biomass Power and Co Generation | 27            | \$17,383,333                             | ₹ 10,430                | ₹ 14,900                 | Uttar Pradesh    |
| 12-Sep-13     | Lokmangal Sugar Ethanol & Cogeneration Industries Limited | Biomass Power and Co Generation | 32            | \$8,158,800                              | ₹ 4,895                 | ₹ 15,804                 | Maharashtra      |
| 25-Oct-13     | Green Infra Wind Power Generation Limited                 | Wind                            | 20            | \$9,733,333                              | ₹ 8,176                 | ₹ 11,680                 | Karnataka        |
| 25-Oct-13     | Bhilwara Energy Limited (Bel)                             | Wind                            | 20            | \$10,938,333                             | ₹ 9,844                 | ₹ 13,126                 | Maharashtra      |
| 31-Dec-13     | Vaayu Renewable Energy (Tapti) Private Limited            | Wind                            | 22            | \$9,690,667                              | ₹ 8,000                 | ₹ 11,629                 | Tamil Nadu       |

|           |  |                                 |     |              |          |           |                  |
|-----------|--|---------------------------------|-----|--------------|----------|-----------|------------------|
| 6-Jan-14  | Suzlon Energy Limited                              | Wind                            | 102 | \$41,666,667 | ₹ 25,000 |           | Rajasthan        |
| 5-Feb-14  | Sri Avantika Contractors (I) Limited               | Solar Grid                      | 5   | \$3,659,650  | ₹ 2,500  | ₹ 4,392   | Bihar            |
| 5-Feb-14  | Photon Solar Power Pvt Ltd                         | Solar Grid                      | 5   | \$3,005,400  | ₹ 2,500  | ₹ 3,606   | Andhra Pradesh   |
| 5-Feb-14  | Emmvee Energy Private Limited                      | Solar Grid                      | 30  | \$17,989,683 | ₹ 15,100 | ₹ 21,588  | Andhra Pradesh   |
| 5-Feb-14  | Renew Wind Energy (MP) Private Limited             | Wind                            | 50  | \$28,108,333 | ₹ 25,200 | ₹ 33,730  | Maharashtra      |
| 5-Feb-14  | Rayala Wind Power Company Pvt Ltd                  | Wind                            | 50  | \$19,166,667 | ₹ 11,500 | ₹ 34,200  | Andhra Pradesh   |
| 5-Feb-14  | Green Infra Wind Power Energy Limited              | Wind                            | 100 | \$36,666,667 | ₹ 22,000 | ₹ 70,047  | Maharashtra      |
| 6-Feb-14  | Deligentia Energy & Infrastructure Private Limited | Solar Grid                      | 25  | \$10,000,000 | ₹ 6,000  | ₹ 21,427  | Madhya Pradesh   |
| 13-Mar-14 | Mangalore Energies Private Limited                 | Wind                            | 15  | \$8,720,833  | ₹ 7,325  | ₹ 10,465  | Karnataka        |
| 13-Mar-14 | Kancheshwar Sugar Limited                          | Biomass Power and Co Generation | 15  | \$5,516,667  | ₹ 4,479  | ₹ 6,620   | Maharashtra      |
| 14-Mar-14 | Green Horse Infra Private Limited                  | Wind                            | 101 | \$33,333,333 | ₹ 20,000 | ₹ 72,728  | Maharashtra      |
| 14-Mar-14 | Superior Food Grains Private Limited               | Biomass Power and Co Generation | 33  | \$14,416,667 | ₹ 15,513 | ₹ 17,300  | Uttar Pradesh    |
| 18-Mar-14 | Sasi Power Private Limited                         | Hydro                           | 3   | \$2,225,550  | ₹ 1,457  | ₹ 2,671   | Himachal Pradesh |
| 27-Mar-14 | KMR Energy Pvt Ltd                                 | Waste to Water and Misc.        | 660 | \$500,000    | ₹ 300    | ₹ 605     | Rajasthan        |
| 31-Mar-14 | GMR Bajoli Holi Hydropower Pvt Ltd                 | Hydro                           | n/a | \$33,333,333 | ₹ 20,000 | ₹ 220,500 | Himachal Pradesh |
| 31-Mar-14 | Shruti Power Projects Pvt Ltd                      | Wind                            | 12  | \$6,258,333  | ₹ 5,256  | ₹ 7,510   | Gujarat          |
| 31-Mar-14 | Ratedi Wind Power Limited                          | Wind                            | 63  | \$16,666,667 | ₹ 10,000 | ₹ 40,533  | Gujarat          |
| 31-Mar-14 | Renew Power Ventures Private Limited               | Solar Grid                      | 5   | \$5,529,517  | ₹ 4,644  | ₹ 6,635   | Rajasthan        |
| 31-Mar-14 | PI Surya Urja Limited                              | Solar Grid                      | 20  | \$14,129,608 | ₹ 12,716 | ₹ 16,956  | Punjab           |

|           |  |                     |              |                      |                  |                    |                  |
|-----------|--|---------------------|--------------|----------------------|------------------|--------------------|------------------|
| 31-Mar-14 | Renew Power Ventures Private Limited       | Solar Grid          | 5            | \$5,529,167          | ₹ 4,460          | ₹ 6,635            | Rajasthan        |
| 31-Mar-14 | Premier Photovoltaic Medak Private Limited | Solar Grid          | 5            | \$3,189,167          | ₹ 2,500          | ₹ 3,827            | Andhra Pradesh   |
| 31-Mar-14 | Dans Energy Private Limited                | Hydro               | 96           | \$18,000,000         | ₹ 10,800         | n/a                | Sikkim           |
| 31-Mar-14 | Renew Power Ventures Private Limited       | Solar Grid          | 5            | \$6,161,667          | ₹ 4,794          | ₹ 7,394            | Rajasthan        |
| 31-Mar-14 | Welspun Solar Punjab Private Limited       | Solar Grid          | 32           | \$21,492,442         | ₹ 19,343         | ₹ 25,791           | Punjab           |
| 31-Mar-14 | Renew Power Ventures Private Limited       | Solar Grid          | 5            | \$6,161,667          | ₹ 4,794          | ₹ 7,394            | Rajasthan        |
| 19-Jun-14 | Shakti Hydro Electric Co. Pvt. Ltd         | Hydro               | n/a          | \$1,270,000          | ₹ 762            | ₹ 1,910            | Himachal Pradesh |
|           |  | <b>Grand Total:</b> | <b>2,346</b> | <b>\$530,397,308</b> | <b>₹ 373,211</b> | <b>₹ 1,742,555</b> |                  |

## Takeout Finance

| Approval Date | Applicant Name  | Sector Description        | Capacity (MW) | Eligible ADB Financing Loan Amount (USD) | Loan Amount (Rs. Lakhs) | Project Cost (Rs. Lakhs) | Project Site |
|---------------|---|---------------------------|---------------|--|-------------------------|--------------------------|--------------|
| 3-May-13      | Ayyappa Hydro Power Limited                               | Hydro                     | 15            | \$12,216,283                             | ₹ 9,500                 | ₹ 14,660                 | Kerala       |
| 2-Aug-13      | Swasti Power Limited                                      | Hydro                     | 22.5          | \$13,452,875                             | ₹ 8,415                 | ₹ 16,143                 | Uttarakhand  |
| 12-Sep-13     | Lokmangal Sugar Ethanol & Cogeneration Industries Limited | Biomass Power and Co Gen. | 31.5          | \$8,158,800                              | ₹ 4,895                 | ₹ 15,804                 | Maharashtra  |
| 31-Mar-14     | Renew Power Ventures Private Limited                      | Solar Grid                | 5             | \$5,529,517                              | ₹ 4,644                 | ₹ 6,635                  | Rajasthan    |
| 31-Mar-14     | Renew Power Ventures Private Limited                      | Solar Grid                | 5             | \$5,529,167                              | ₹ 4,460                 | ₹ 6,635                  | Rajasthan    |
| 31-Mar-14     | Renew Power Ventures Private Limited                      | Solar Grid                | 5             | \$6,161,667                              | ₹ 4,794                 | ₹ 7,394                  | Rajasthan    |
| 31-Mar-14     | Renew Power Ventures Private Limited                      | Solar Grid                | 5             | \$6,161,667                              | ₹ 4,794                 | ₹ 7,394                  | Rajasthan    |
|               |   | <b>Grand Total:</b>       | <b>89</b>     | <b>\$57,209,975</b>                      | <b>₹ 41,502</b>         | <b>₹ 74,665</b>          |              |