

Public Disclosure Authorized

**OFFICIAL
DOCUMENTS**

LOAN NUMBER 8499-IN

Loan Agreement

(Second Tamil Nadu Road Sector Project)

between

INDIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated *May 28*, 2015

LOAN AGREEMENT

Agreement dated May 28, 2015, between INDIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

ARTICLE II — LOAN

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of three hundred million Dollars (USD 300,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty(30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
- 2.06. The Payment Dates are April 15 and October 15 in each year.

- 2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.
- 2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.
- (b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
- (c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall

ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower's Representative is any of the following officials, acting severally: the Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary of the Department of Economic Affairs of the Borrower's Ministry of Finance.

- 5.02. The Borrower's Address is:

Secretary
Department of Economic Affairs
Ministry of Finance
Government of India
North Block
New Delhi 110 001
India

Facsimile:

+91-11-23094075

- 5.03. The Bank's Address is:

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

Cable address:

Telex:

Facsimile:

INTBAFRAD
Washington, D.C.

248423(MCI) or
64145(MCI)

1-202-477-6391

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

INDIA

By



28/5/2015

Authorized Representative

Name: Raj Kumar

Title: Joint Secretary, M

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Authorized Representative

Name: Otto Ruhl

Title: Country Director, India

SCHEDULE 1

Project Description

The objective of the Project is to increase road capacity, enhance quality of maintenance, improve safety and support institutional development of Tamil Nadu's Core Road Network.

The Project consists of the following parts:

Component A: Network Improvement

1. Widening and upgrading approximately 430 km of Tamil Nadu's Core Road Network to standard two-lane configuration through the use of EPC Contracts, including: (a) enlarging formation width; (b) carrying out road realignments and/or strengthening and widening road pavements; (c) constructing new pavements, by-passes and structures, and/or rehabilitating existing ones; (d) improving roads junctions; (e) providing/enhancing road safety features; and (f) ensuring proper and timely road maintenance for at least a five (5) year period post construction.
2. Widening and upgrading approximately 145 km of Tamil Nadu's Core Road Network to standard four lane configuration through the use of PPP Concession Contracts, including: (a) enlarging formation width; (b) carrying out road realignments and/or strengthening and widening road pavements; (c) constructing new pavements, by-passes and structures, and/or rehabilitating existing ones; (d) improving roads junctions; (e) providing/enhancing road safety features; and (f) ensuring/granting the private operation and maintenance thereof throughout the period of their concession.
3. Maintaining approximately 600 km of Tamil Nadu's Core Road Network for at least a 5-year period, through the use of performance-based maintenance contracts.

Component B: Institutional Capacity Enhancement

Refining and implementing the Highways Department's Institutional Capacity Enhancement Plan (ICEP) setting forth policy actions and financial commitments aimed at improving allocation and mobilization of resources in the road sector and enhancing enterprise-level efficiencies within the Highways Department, including: (a) developing and operating an information system for monitoring the implementation of the ICEP; (b) improving the organizational structure and internal business processes of the Highways Department; (c) enhancing and mainstreaming the utilization of IT-based systems in regular operations and decision-making processes; and (d) designing and implementing a human resources development policy with emphasis on training and knowledge management.

Component C: Road Safety

Carrying out strategic and operational level initiatives to enhance Tamil Nadu's roads safety management capacity, including:

1. Providing support to the Road Safety Executive Leadership Group and the Road Safety Management Cell in developing and implementing a comprehensive program for road safety management and knowledge transfer, and augmenting the capabilities of key road safety operational systems such as safety data collection, enforcement of traffic regulations, provision of post-crash emergency care, and increasing public awareness.
2. Designing and piloting two District road safety initiatives, aimed at promoting an inter-departmental coordinated approach for road safety management within the District, including: (a) selectivity of required civil works investments; (b) enhanced collaboration in the regulation, monitoring and enforcement of safety rules (including licensing procedures); (c) improved post-accident response and trauma-care systems and infrastructure; and (d) support to the District administration and/or governmental entities involved in the implementation of this pilot.
3. Designing and piloting road safety interventions on Selected Road Corridors, consisting of an inter-departmental coordinated approach for road safety management, including: (a) selectivity of required civil works investments; (b) enhanced collaboration in the regulation, monitoring and enforcement of safety rules (including licensing procedures); (c) improved post-accident response and trauma-care systems and infrastructure; and (d) support to the governmental entities involved in the implementation of this pilot.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. On-lending Arrangements

1. To facilitate the Project Implementing Entity's carrying out the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity in accordance with the Borrower's standard arrangements for development assistance to the States of India.
2. Notwithstanding paragraph 1 above, in the event that any provision of this Agreement, including the instructions that the Bank shall have specified by notice to the Borrower pursuant to Section IV.A.1 of this Schedule, were to be found inconsistent with the Borrower's standard arrangements for development assistance to the States of India, the provisions of this Agreement and related instructions shall prevail.
3. The Borrower shall at all times protect its own interests and the interests of the Bank to accomplish the purposes of the Loan.

B. Anti-Corruption

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

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall cause the Project Implementing Entity to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project Report shall cover the period of one (1) calendar quarter, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall cause the Project Implementing Entity to prepare and furnish to the Bank not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Borrower shall have, and cause the Project Implementing Entity to have, its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower and the Project Implementing Entity, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank not later than nine (9) months after the end of such period.

Section III. Procurement

A. General

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

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) Limited International

Bidding; (b) National Competitive Bidding, subject to the additional provisions set forth in the Procurement Plan; (c) Shopping; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Bank; (e) Direct Contracting; (f) Force Account; (g) Procurement from United Nations agencies; and (h) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Bank.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Selection of United Nations agencies and/or other Particular Types of Consultants; (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (h) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank's Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. Withdrawal of Loan Proceeds

A. General

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

amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Loan Allocated (expressed in USD)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Works under sub-Component A.1 of the Project	150,750,000	50%
(2) Works under sub-Component A.2 of the Project	100,400,000	100%
(3) Works under sub-Component A.3 of the Project	7,800,000	20%
(4) Works under Component C of the Project, and goods, non-consulting services, consultants' services, Training, and Incremental Operating Costs for the Project	40,300,000	80%
(5) Front-end Fee	750,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(6) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 2.08(c) of this Agreement
TOTAL AMOUNT	300,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

- (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed thirty million Dollars (USD 30,000,000) may be made for payments made prior to this date but

on or after June 1, 2014, for Eligible Expenditures under Categories (1), (2), (3) and (4); or

- (b) under Category (4) until and unless the Project Implementing Entity has duly established the ICERS Cell, the RSMC, the RSIUs and the RSCIU in a manner and substance satisfactory to the Bank.

2. The Closing Date is June 30, 2021.

SCHEDULE 3

Amortization Schedule

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

Principal Payment Date	Installment Share (Expressed as a Percentage)
October 15, 2022	1.44%
April 15, 2023	1.47%
October 15, 2023	1.50%
April 15, 2024	1.53%
October 15, 2024	1.56%
April 15, 2025	1.59%
October 15, 2025	1.62%
April 15, 2026	1.65%
October 15, 2026	1.69%
April 15, 2027	1.72%
October 15, 2027	1.76%
April 15, 2028	1.79%
October 15, 2028	1.83%
April 15, 2029	1.86%
October 15, 2029	1.90%
April 15, 2030	1.94%
October 15, 2030	1.98%
April 15, 2031	2.02%
October 15, 2031	2.06%
April 15, 2032	2.10%
October 15, 2032	2.14%
April 15, 2033	2.18%
October 15, 2033	2.23%
April 15, 2034	2.27%
October 15, 2034	2.32%
April 15, 2035	2.36%
October 15, 2035	2.41%
April 15, 2036	2.46%

October 15, 2036	2.51%
April 15, 2037	2.56%
October 15, 2037	2.61%
April 15, 2038	2.66%
October 15, 2038	2.71%
April 15, 2039	2.77%
October 15, 2039	2.82%
April 15, 2040	2.88%
October 15, 2040	2.94%
April 15, 2041	3.00%
October 15, 2041	3.06%
April 15, 2042	3.12%
October 15, 2042	3.18%
April 15, 2043	3.24%
October 15, 2043	3.31%
April 15, 2044	3.25%

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

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

APPENDIX

Section I. Definitions

1. "Anti-Corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.
2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
3. "Consultant Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
4. "Core Road Network" means the Project Implementing Entity's network of priority roads comprised of State Highways and Major District Roads.
5. "Displaced Persons" means persons who, on account of the execution of the Project, have experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such persons must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impact on the livelihoods of such persons.
6. "District" means each of the thirty two (32) administrative subdivisions of the Project Implementing Entity, or any successor thereto.
7. "EIA(s)" means, collectively, the Project Implementing Entity's: (a) environmental impact assessments for roads under EPC Contracts, disclosed on October 9 and 10, 2014; and (b) environmental impact assessments to be prepared for PPP Concession Contracts and the activities under sub-Component A.3 and Component C of the Project, pursuant to Section I.C.2(b) of the Schedule to the Project Agreement and in accordance with the provisions of the EMF, in order to assess the likely positive and negative environmental impact of Project activities; as such assessments may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
8. "EMF" means the Project Implementing Entity's environmental management framework, disclosed on September 24, 2014, setting forth the guiding principles, acceptable standards and procedures for: (a) the screening of Project activities and the identification of any adverse or positive environmental impacts caused, or expected to be caused, on account of their implementation; and (b) the preparation of their prescribed EIA(s) and EMP(s); as such framework may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.

9. "Empowered Committee" means the committee established by the Project Implementing Entity pursuant to G.O (Ms) No. 127 dated August 14, 2013, and referred to in Section I.A.3(a)(i) of the Schedule to the Project Agreement.
10. "EMP(s)" means, collectively, the Project Implementing Entity's environmental management plans: (a) prepared in respect of roads under EPC Contracts, disclosed on October 9 and 10, 2014; and (b) to be prepared for PPP Concession Contracts and the activities under sub-Component A.3 and Component C of the Project, pursuant to Section I.C.2(b) of the Schedule to the Project Agreement and in accordance with the provisions of the EMF, in each case setting out mitigation, enhancement, monitoring and institutional measures, including capacity building through training, required to: (i) eliminate adverse environmental impacts of activities to be implemented under the Project; (ii) offset them, or reduce them to acceptable levels; (iii) enhance any positive impacts thereof; as such plans may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank; and/or (iv) ensure compliance with Borrower's and the Project Implementing Entity's statutory environmental requirements.
11. "EPC Contracts" means the engineering-procurement-construction composite contracts to be piloted by the Project Implementing Entity for the widening and upgrading of selected roads of the Core Road Network, whereby the contractor takes comprehensive responsibility for the design, execution and maintenance of the respective asset, in each case on the basis of the model form of agreement agreed between the Project Implementing Entity and the Bank.
12. "Finance Department" means the Project Implementing Entity's governmental Department of Finance, or any successor thereto.
13. "General Conditions" means the "International Bank for Reconstruction and Development General Conditions for Loans", dated March 12, 2012, with the modifications set forth in Section II of this Appendix.
14. "HFW Department" means the Project Implementing Entity's governmental Department of Health and Family Welfare, or any successor thereto.
15. "Highways Department" means the Project Implementing Entity's governmental Department of Highways and Minor Ports, or any successor thereto.
16. "HPE Department" means the Project Implementing Entity's governmental Department of Home, Prohibition and Excise, or any successor thereto.
17. "Incremental Operating Costs" means the reasonable costs of incremental expenditures incurred by the Project Implementing Entity on account of Project implementation, management and monitoring, including, *inter alia*: (i) costs of incremental staff salaries (other than consultants); (ii) dissemination of Project related information; (iii) office rental and leasing operation and maintenance of

equipment; (iv) office supplies and utilities; (v) travel and boarding/lodging allowances; (vi) leasing, operation and maintenance of vehicles; (vii) advertising and communication expenses; and (viii) bank charges.

18. "Independent Engineer" means each of the engineers to be selected/hired by the Project Implementing Entity pursuant to Section I.A.4(a) of the Schedule to the Project Agreement.
19. "Institutional Capacity Enhancement and Road Safety Cell" and the term "ICERS Cell" means the implementation cell to be established by the Project Implementing Entity for purposes of Components B and C of the Project, pursuant to Section I.A.3(b)(i) of the Schedule to the Project Agreement.
20. "Institutional Capacity Enhancement Plan" and the acronym "ICEP" means the strategic plan for the development of the institutional capacity of the Highways Department, approved by such Department on January 5, 2015, pursuant to G.O. (D) No. 3.
21. "IT" means information technology.
22. "Major District Roads" means important roads within a District serving areas of production and markets. Major District Roads may also connect with each other or with national and/or State Highways.
23. "NHAI" means the National Highways Authority of India, established pursuant to the Borrower's National Highways Authority of India Act (1988), to be responsible for development, maintenance and management of the Borrower's national highways, or any successor thereto.
24. "PPP Concession Contracts" means multi-year road construction and maintenance contracts wherein a competitively selected private operator is commissioned by a project authority to design, build, finance, operate, maintain and transfer a selected road section over a predefined concession period, and recovers the related expenditure from the project authority through a combination of upfront payments during the construction of the road, and/or a series of regular payments throughout the balance of the concession period after construction.
25. "Procurement Guidelines" means the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 (revised July 2014).
26. "Procurement Plan" means the Borrower's procurement plan for the Project, dated March 19, 2015 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

27. "Project Implementation Unit" and the acronym "PIU" means the project implementation unit established by the Project Implementing Entity pursuant to G.O (Ms.) No. 48 dated March 28, 2013, and referred to in Section I.A.3(a)(iii) of the Schedule to the Project Agreement.
28. "Project Implementing Entity" means the Borrower's State of Tamil Nadu.
29. "RAP(s)" means, collectively, the Project Implementing Entity's resettlement action plans: (a) prepared and approved by the Project Director (TNRSP) in respect of roads under EPC Contracts and disclosed in Project's web site and the Bank's Info Shop on February 5, 2015; and (b) to be prepared for PPP Concession Contracts and the activities under sub-Component A.3 and Component C of the Project, pursuant to Section I.C.2(b) of the Schedule to the Project Agreement, in accordance with the provisions of the RPF, in each case identifying Displaced Persons on account of implementation of Project activities in the respective roads or section thereof improved under the Project, and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, as well as the procedures to be applied in the identification, assessment and mitigation of potential Project related social impacts, including the protocols for consultation, the processing of complaints and grievance redress, monitoring and reporting requirements, and the Displaced Persons' entitlement schedules; as such plans may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
30. "RAP Implementation Support Agency" means each of the specialized social mobilization non-government organizations or consulting firms to be selected/hired by the Project Implementing Entity pursuant to Section I.A.4(c) of the Schedule to the Project Agreement.
31. "Road Safety Corridor Implementation Unit" and the acronym "RSCIU" means the implementation unit to be established by the Project Implementing Entity for purposes of carrying out sub-Component C.3 of the Project, pursuant to Section I.A.3(b)(v) of the Schedule to the Project Agreement.
32. "Road Safety Executive Leadership Group" and the acronym "RSELG" means the leadership group to be established by the Project Implementing Entity, pursuant to Section I.A.3(b)(ii) of the Schedule to the Project Agreement, for purposes of providing strategic guidance in the implementation of Component C of the Project.
33. "Road Safety Implementation Unit" and the acronym "RSIU" means, individually, each of the implementation units to be established by the Project Implementing Entity for purposes of carrying out sub-Component C.2 of the Project, pursuant to Section I.A.3(b)(iv) of the Schedule to the Project Agreement; and "RSIUs" means all of them collectively.

34. "Road Safety Management Cell" and the acronym "RSMC" means the implementation unit to be established by the Project Implementing Entity for purposes of carrying out sub-Component C.1 of the Project, pursuant to Section I.A.3(b)(iii) of the Schedule to the Project Agreement.
35. "RPF" means the Project Implementing Entity's resettlement policy framework approved by GoTN's Government Order No, 12 of Highway and Minor Ports (HN2) Department, dated December 31, 2014 and disclosed in Project's website on January 1, 2015 and in the Bank's Info Shop on January 20, 2015, setting forth the guiding principles, acceptable standards and procedures for: (a) the screening of Project activities and the identification of any Displaced Persons, on account of their implementation; and (b) the preparation of their prescribed RAP(s), as applicable; as such framework may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
36. "Safeguard Documents" means, collectively, the EMF and the RPF, as well as the EIA(s), the EMP(s), the SIA(s) and the RAP(s) prepared or to be prepared pursuant to Section I.C.2(b) of the Schedule to the Project Agreement.
37. "SE Department" means the Project Implementing Entity's governmental Department of School Education, or any successor thereto.
38. "Selected Road Corridor" means a road corridor within Tamil Nadu's Core Road Network selected by the Project Implementing Entity with the concurrence of the Bank, pursuant to prioritization criteria agreed with the Bank.
39. "SIA(s)" means, collectively, the Project Implementing Entity's: (a) social impact assessments prepared for roads under EPC Contracts, (incorporated in the RAP); and (b) social impact assessments to be prepared for PPP Concession Contracts and the activities under sub-Component A.3 and Component C of the Project, pursuant to Section I.C.2(b) of the Schedule to the Project Agreement and in accordance with the provisions of the RPF, in order to assess the likely social impact of Project activities; as such assessments may be revised, updated or supplemented from time to time with the prior written concurrence of the Bank.
40. "State Highways" means, collectively, the major arterial routes of Tamil Nadu which connect district headquarters and cities within the state. State Highways may also connect national highways or highways of neighboring states.
41. "Steering Committee" means the committee established by the Project Implementing Entity pursuant to G.O. (2D) No. 11 dated December 29, 2014, and referred to in Section I.A.3(a)(ii) of the Schedule to the Project Agreement.
42. "Tamil Nadu" means the State of Tamil Nadu, the Project Implementing Entity.

43. "Technical Monitoring Consultant" means each of the monitoring consultants to be selected/hired by the Project Implementing Entity pursuant to Section I.A.4(b) of the Schedule to the Project Agreement.
44. "TPAC" means the third party audit consulting firm to be selected/hired by the Project Implementing Entity pursuant to Section I.A.5 of the Schedule to the Project Agreement.
45. "Training" means the reasonable cost of trainings, seminars, workshops, conferences and study tours, conducted in the territory of the Borrower and/or overseas, including: (a) the fees of training institutions and courses; (b) domestic and international travel costs, lodging costs, and subsistence/per diem allowances both for trainers and trainees; (c) the rental of training facilities; and (d) preparation, purchase or reproduction of training materials.
46. "Transport Department" means the Transport Department of the government of Tamil Nadu, or any successor thereto.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the **Table of Contents**, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.
2. Section 3.01. (*Front-end Fee*) is modified to read as follows:

"Section 3.01. *Front-end Fee; Commitment Charge*

 - (a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the "Front-end Fee").
 - (b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."
3. In the Appendix, **Definitions**, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:

"68. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."
7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".