

September 7, 2020

Mr. Sukhbir Singh
Controller of Aid Accounts and Audit
Department of Economic Affairs, Ministry of Finance
Government of India
B-Wing, 5th Floor
Janpath Bhawan
New Delhi, India 110001

**Re: IBRD Loan 9066-IN (Himachal Pradesh State Roads Transformation Project)
Additional Instructions: Disbursement and Financial Information Letter.**

Dear Mr. Sukhbir,

I refer to the Loan Agreement between India (the “Borrower”) and the International Bank for Reconstruction and Development (the “World Bank”) for the Himachal Pradesh State Roads Transformation Project, dated September 7, 2020. The General Conditions, as defined in the Loan Agreement, provide that the World Bank may issue additional instructions regarding the withdrawal of the proceeds of Loan 9066-IN (“Loan”), and specify certain financial management reporting and audit requirements. This letter (“Disbursement and Financial Information Letter” or “DFIL”), as revised from time to time, constitutes such additional instructions.

The *Disbursement Guidelines for Investment Project Financing* dated February 2017, (“Disbursement Guidelines”) are available in the World Bank’s public website at <https://www.worldbank.org> and its secure website “Client Connection” at <https://clientconnection.worldbank.org>. The Disbursement Guidelines are an integral part of this Disbursement and Financial Reporting Letter, and the manner in which the provisions in the guidelines apply to the Loan is specified below.

I. Disbursement Arrangements and Withdrawal of Loan Proceeds.

(i) Disbursement Arrangements. The table in Schedule 1 provides the disbursement methods (including mechanism for advances), information on registration of authorized signatures, processing of withdrawal applications, instructions on supporting documentation, the closing date, and the disbursement deadline date.

(ii) Withdrawal (Electronic Delivery). Refer to section 10.01 (c) of the General Conditions:

The Borrower will deliver Withdrawal Applications (with supporting documents) electronically through the World Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Borrower who are authorized to sign and deliver Withdrawal Applications have registered as users of “Client Connection”. The designated officials will deliver Applications electronically by completing the Form 2380, which is accessible through “Client Connection”. By signing the Authorized Signatory Letter, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. The Borrower may exercise the option of preparing and delivering Withdrawal Applications in paper form on exceptional cases (including those

where the Borrower encounters legal limitations), and which were previously agreed with the World Bank. By designating officials to use SIDC and by choosing to deliver the Applications electronically, the Borrower confirms through the authorized signatory letter its agreement to: (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at <https://www.worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

II. Financial Information and Reporting.

(i) Financial Reports. The Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports (IFR) for the Project covering that semester (Attachment 2).

(ii) Audits. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower, 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 World Bank not later than six (6) months after the end of such period.

III. Other Important Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank's website (<http://www.worldbank.org/>) and "Client Connection". The World Bank recommends that you register as a user of "Client Connection". From this website you will be able to prepare and deliver Withdrawal Applications, monitor the near real-time status of the Loan, and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the World Bank by email at AskLoans@WorldBank.org using the reference IBRD Loan 9066-IN (Himachal Pradesh State Roads Transformation Project).

Yours sincerely,

/s/ JUNAID KAMAL AHMAD

Junaid Kamal Ahmad
Country Director
India

Attachments

1. Interim unaudited Financial Report (IFR)
2. Form of Authorized Signatory Letter

Schedule 1
Disbursement Arrangements

Basic Information			
Loan Number	Country	India	Section III.B.5. of Schedule 2 to the Loan Agreement.
	Borrower	India (Entities: DEA and CAAA)	
9066-IN	Name of the Project	Himachal Pradesh State Roads Transformation Project	Disbursement Deadline Date <i>Subsection 3.7 **</i>
Disbursement Methods, and Supporting Documentation			
Disbursement Methods <i>Section 2 (**)</i>	Methods	Supporting Documentation <i>Subsections 4.3 and 4.4 (**)</i>	
Direct Payment	No	Not Applicable	
Reimbursement	Yes	Interim unaudited Financial Report (IFR) in the format provided in Attachment 2	
Advance – Designated Acct.	No	Not Applicable	
Special Commitments	No	Not Applicable	
Minimum Value of Applications (subsection 3.5)			
The minimum value of applications is not applicable for this loan.			
Authorized Signatures (<i>Subsection 3.1 and 3.2 **</i>) <i>The form for Authorized Signatories Letter is provided in Attachment 1 of this letter.</i> <i>Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)</i>			
The Authorized Signatories Letter will be sent to the following address: No. 11, Taramani Main Road Taramani, Chennai – 600 113, India Attention: Client Services and Loan Operations Department (WFACS)			
Note: The Withdrawal Applications and its supporting documentation will be electronically sent through the Bank's system ClientConnection .			
Additional Instructions			
USD 27,000,000 will be disbursed through the DLIs 1 to 8 stated in Schedule 3 to the Loan Agreement (under Category 1) for eligible expenditures actually incurred by the Himachal Pradesh Road & Other Infrastructure Development Corporation for Parts 1.1, 1.2.b, and 1.2.c. of the project; the Himachal Pradesh Department of Transportation for Part 1.3 of the project; and the HP State Traffic Police for Part 3 of the project, specifically for goods, works, non-consulting services, consultant services, incremental operating cost, and training earmarked in the budget as follows: 5054-04-337-21 World Bank State Road, and 5054-04-789-11 Rural World Bank. The remaining USD 54,795,000, which will disburse under Category 2, will not be linked to DLIs.			

**** Sections and subsections relate to the "Disbursement Guidelines for Investment Project Financing, dated February 2017"**

Attachment 1 – Interim unaudited Financial Reports (IFR)

Himachal Pradesh State Roads Transformation Project (Ln.No.....)

Project Report Format - 1

Quarterly Financial Monitoring Report - (Project Activities)

Report as on

(Amount in Rs '000)

Particulars	For the quarter	Cumulative	
		Year till date	Project till date
Opening Balance (A)			
Receipts			
Govt. of HP Funds			
World Bank Funds			
Other Receipts/ Income			
Total Receipts (B)			
Total Sources (C = A + B)			
Expenditures by Component			
Total Expenditures (D)			
Advances to Suppliers/ Others (E)			
Less: Recovery/ Adjustment of Advances (F)			
Net Advances (G = E - F)			
Total Uses (H = D + G)			
Closing Balance (I = C - H)			

Notes:

- (a) If report is for the quarter ended on June 30th, it should provide information on expenditure for the period of April to June and forecast for the period July to December
- (b) Closing Balance will be as per Project Books of Account, as on date of the report
- (c) Forecast is to be provided separately for each component
- (d) The Funds received from World bank shown in Annex- I only amount adjusted in respect of rounding differences in previous returns

Himachal Pradesh State Roads Transformation Project (Ln.No.)

Project Report Format - 2

Quarterly Interim Unaudited Financial Report - (Project Activities)

Report as on

(Amount in Rs '000)							
Particulars Expenditures Component	Expenditure for the quarter	Bank Funding Share %	Expenditure for the Year	Bank Funding Share %	Expenditure date	till	Bank Funding Share %
Less: Ineligible expenditure							
Total Uses					0.00	0.00	0.00

Himachal Pradesh State Roads Transformation Project (Ln.No.)
Project Report Format - 3

Quarterly Interim Unaudited Financial Report - (World Bank Funds requirement)

Report as on

(Amount in Rs '000)

Bank Funds received till date #1	I	0.00
Total Project Uses till date #	II	0.00
World Bank Share of the above	III	0.00
Funds Unutilized (I - III)	IV	0.00
Forecast for Project payments for the 6 months	V	0.00
World Bank Share of the above	VI	0.00
Less: Funds Unutilized	IV	0.00
Net Funds required from the Bank (VI - IV)	VII	0.00
Forecast for receipts from GoHP	VIII	0.00

Notes:

(a) Total Project Uses till date ' II ', will be the same as Total Uses ' H ' as per Project Report Format I, Column 4

(b) Forecast for payments for the next 6 months ' V ' will be the same as Total Uses ' H ' as per Project Report Format I, Column 5

(c) Information for Row III above, will be derived from Format 2 using the applicable percentages for the Bank Share of Project uses till date

(d) Information for Row VI above, will be derived from Format 2 using the applicable percentages for the Bank Share of Project expenditure forecast for the next 6 months

Please Note

(e) # the claim has been filed on cash basis/expenditure already incurred.

(f) #1 the figure available in claim status- official website of CAA, MOF, GOI.

[Letterhead]
Ministry of Finance
[Street address]
[City] [Country]

[DATE]

The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Attention: Mr. Junaid Kamal Ahmad, *Country Director*

Re: Loan No. 9066-IN (Himachal Pradesh State Roads Transformation Project)

I refer to the Loan Agreement (“Agreement”) between the International Bank for Reconstruction and Development (the “World Bank”) and [name of borrower] (the “Borrower”), dated _____, providing the above Loan. For the purposes of Section 2.02 of the General Conditions as defined in the Agreement, any ¹[one] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Borrower to sign applications for withdrawal [and applications for a special commitment] under this Loan.

For the purpose of delivering Applications to the Bank, ²[each] of the persons whose authenticated specimen signatures appears below is authorized on behalf of the Borrower, acting ³[individually] ⁴[jointly], to deliver Applications, and evidence in support thereof on the terms and conditions specified by the World Bank.

⁵[This confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the World Bank by electronic means. In full recognition that the Bank shall rely upon such

¹ Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in final letter that is sent to the World Bank.*

² Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in final letter that is sent to the World Bank.*

³ Instruction to the Borrower: Use this bracket if any one of the authorized persons may sign; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank.*

⁴ Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete. *Please delete this footnote in final letter that is sent to the World Bank.*

⁵ Instruction to the Borrower: Add this paragraph if the Borrower wishes to authorize the listed persons to accept Secure Identification Credentials and to deliver Applications by electronic means; if this is not applicable, please delete the paragraph. *Please delete this footnote in final letter that is sent to the World Bank.*

representations and warranties, including without limitation, the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* ("Terms and Conditions of Use of SIDC"), the Borrower represents and warrants to the World Bank that it will cause such persons to abide by those terms and conditions.]

This Authorization replaces and supersedes any Authorization currently in the World Bank records with respect to this Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

/ signed /

[Position]