Global Environment Facility
Grant Agreement

(Additional Financing for Grid-Connected Rooftop Solar Program)

between

STATE BANK OF INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

acting as Implementing Agency of the Global Environment Facility

Dated JANUARY 19, 2017
GLOBAL ENVIRONMENT FACILITY GRANT AGREEMENT

AGREEMENT dated January 19, 2017, entered into between the STATE BANK OF INDIA (variously the "Recipient" or "SBI") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as implementing agency of the Global Environment Facility ("GEF") for the purpose of providing additional financing for the Program (as defined in the Appendix this Agreement).

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions

1.01. The Standard 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 Standard Conditions or in the Appendix to this Agreement.

Article II
The Program

2.01. The Recipient declares its commitment to the objectives of the Program. To this end, the Recipient shall carry out the Program in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Program is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed twenty two million nine hundred thirty five thousand seven hundred and eighty United States Dollars (USD22,935,780) ("Grant") to assist in financing the Program.
3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned Global Environment Facility. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Global Environment Facility, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) the SBI Act and SBI General Regulations have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under the Program; or

(b) the Republic of India and/or the Recipient has/have taken any action, or adopted any policy or regulation, which results in: (i) the material and substantial impossibility for the Recipient to carry out the Program and/or implement the provisions of the Program Operations Manual; whether in whole or in part; and/or (ii) a significant reversal of the Program activities and/or any measures undertaken by the Recipient for the strengthening of the Program Fiduciary, Environmental and Social Systems pursuant to the Program Operations Manual.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is any of the following officials, acting severally: the Chairman, Managing Directors, Deputy Managing Directors, Chief General Managers, or any other officer of the Recipient authorized as per the SBI Act and SBI General Regulations.

5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

State Bank of India
Kind Attn: Chief General Manager
Corporate Center,
Credit Policy and Procedures Department
State Bank Bhawan,
Madame Cama Road,
Mumbai – 400 021
India

Facsimile:

+91-22-22021906

5.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile:

1-202-477-6391
AGREED at New Delhi, India, as of the day and year first above written.

STATE BANK OF INDIA

By

Authorized Representative

Name: Deepak Kumar

Title: Chief General Manager

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as an Implementing Agency of the Global Environment Facility

By

Authorized Representative

Name: Hisham Abdo

Title: Acting Country Director, India
SCHEDULE 1

Program Description

The objective of the Program is to increase installed capacity of GRPV and strengthen the capacity of Relevant Institutions for GRPV.

The Program consists of the following activities:

Result Area 1: Strengthening Institutional Capacity for GRPV

(a) **Strengthening the Institutional Capacity of SBI**, through: (i) establishing a PIU for the Program and mobilizing staff in other SBI departments and/or branches in support of its GRPVs business line; (ii) setting up SBI internal policies and procedures for loan origination, risk assessment and loan approval; (iii) providing training to SBI staff on GRPVs financing; (iv) providing incentives to SBI staff to undertake the promotion of GRPVs financing; (v) strengthening SBI’s IT systems to track GRPVs transactions; (vi) carrying out public awareness and advertising campaigns promoting GRPVs financing products; (vii) internalizing lessons learnt during Program implementation and launching a second round of GRPVs financing; and (viii) setting up a loss offsetting fund.

(b) **Strengthening the Institutional Capacity of DISCOMs, SNAs and ERCs to contribute to an improved investment climate for GRPV**, by coordinating the administration of a technical assistance program with the help of a program management consultant under the guidance of MNRE and the Steering Committee, which will be: (i) providing capacity building and technical assistance support to selected DISCOMs, regulators and other institutions with respect to solar rooftop power generation, trading and metering; (ii) facilitating the SNAs’ communication and stakeholder awareness campaigns on GRPVs systems and the available financing therefor; and (iii) establishing training and accreditation programs for qualified rooftop PV technical inspectors.

Result Area 2 Developing GRPV Market

(i) Developing and implementing market aggregation models for the financing of GRPV installers and rooftop owners; (ii) undertaking marketing and business development for deal origination; (iii) providing financing to SBI clients, eligible as per the Program Operations Manual, for the purchase, including inventory creation, and installation of GRPVs; and (iv) piloting targeted lending to non-banking financial companies and small and medium enterprises.
Results Area 3: Expanding GRPV Generation Capacity

Installing GRPVs systems for aggregate generation capacity of at least 400 MW including (optional) batteries for power storage in accordance with the technical standards issued by MNRE and/or CEA, as applicable.
SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Fiduciary, Environmental and Social Systems

1. Without limitation upon the provisions of Article II of the Standard Conditions, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the World Bank ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

(a) the Grant proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and

(b) the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

2. The Recipient shall establish within six (6) months after the date of this Agreement, and thereafter maintain and operate throughout the period of implementation of Program activities, a grievance redress mechanism, acceptable to the World Bank, for the processing of any complaint for grievances arising out of the implementation of the Program.

B. Anti-Corruption

1. Without limitation upon the provisions of Part A of this Section, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the Anti-Corruption Guidelines.

2. In furtherance of paragraph 1, above, in this Sub-Section I.B, the Recipient shall prepare and furnish to the World Bank quarterly reports detailing, in a manner and substance agreed with the World Bank, any complaints received during such quarter from internal sources, supervisory bodies, the industry and/or general clients, regarding incidents of fraud, corruption, collusion, coercion, obstruction of investigations, and/or any other reprehensible actions/conducts contemplated in the Anti-Corruption Guidelines.
C. Key Consultancy Contracts

1. The Recipient shall:

(a) prior to disbursing any amounts under any Sub-loan Agreement for GRPVs financing pursuant to Sub-Section I.F below for which: (i) the Recipient's Sub-loan amount is equivalent to, or greater than, USD 7,400,000 (i.e. INR500,000,000 equivalent); or (ii) the overall GRPV investment costs is equivalent to, or greater than, USD 14,800,000 (i.e. INR1,000,000,000 equivalent), engage and thereafter maintain for up to at least three (3) months after the commercial operation date of the financed investment, a lender independent engineer, or a panel of engineers (the "Lender's Engineer"), with qualification and experience and under terms of reference set forth in the Program Operations Manual, to assist the Recipient in ensuring the clients' compliance with all applicable regulations, governmental permits and the Recipient's enabling policy framework (including the Program Operations Manual); and

(b) engage by no later than six (6) months after the date of this Agreement, and thereafter maintain throughout the period of implementation of activities under Results Area 1(b) of the Program, the services of a program management consultant (the "PMC"), with qualifications and experience and under terms of reference acceptable to the World Bank, in order to assist the Recipient with management, implementation and monitoring of the said activities aimed at benefiting the DISCOMs, SNAs and ERCs.

D. Program Operations Manual

1. Without limitation on the generality of Part A of this Section I, the Recipient shall:

(a) carry out the Program in accordance with the Program Operations Manual;

(b) implement the provisions set forth in the Program Operations Manual for the strengthening of the Program Fiduciary, Environmental and Social Systems, in a manner and substance satisfactory to the World Bank, within the agreed timetable; and

(c) refrain from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating, any provision of the Program Operations Manual, whether in whole or in part, without the prior written mutual agreement of the World Bank, which cannot be unreasonably withheld.
2. In the event of any inconsistency between the provision of the Program Operations Manual and those of this Agreement, this Agreement shall govern.

E. Annual Work Plans and Budget

The Recipient shall:

(a) furnish to the World Bank by not later than January 31st of each year, commencing on January 31, 2017, the annual work plan and associated budget covering the activities proposed for the Recipient’s subsequent Year of Program implementation; which plan and budget shall be of such scope and detail as the World Bank shall have reasonably requested; and

(b) thereafter ensure that Program activities for the respective Year are carried out in accordance with such plan and budget as agreed with the World Bank.

F. GRPVs Financing

1. The Recipient shall appraise, review and approve any individual application for GRPVs financing in accordance with the criteria, conditions and procedures set out in the Program Operations Manual, which shall include, among others:

(a) a certification by: (i) the Lender’s Engineer, for any Sub-loans of US$ 7,400,000 equivalent (i.e. INR500,000,000 equivalent) or more and/or GRPV investment sub-projects of USD 14,800,000 equivalent (i.e. INR1,000,000,000 equivalent) or more; or (ii) the Recipient’s appraisal officer(s), confirming the proposed GRPVs investment’s compliance with the environmental, safety and social standards set out in the Program Operations Manual and the ESSA, as well as all applicable Indian laws and regulations relating to environmental, health, and safety issues;

(b) the applicant’s compliance with all necessary licenses, permits and/or clearances for the installation of GRPVs as required by the law of the land; and

(c) the applicant and/or disclosed sub-contractors/providers, at time of appraisal, not being debarred by the World Bank nor listed in the temporary suspension lists that the World Bank shall regularly notify to the Recipient.

2. The Recipient shall make the proceeds of the Grant available to its clients in accordance with eligibility criteria and procedures set out in the Program Operations Manual. To this end the Recipient shall enter into a Sub-loan
Agreement with each approved applicant client on terms and conditions acceptable to the World Bank, which shall include the following:

(a) the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including:

(i) the right to suspend or terminate the right of the client to use the proceeds of the Sub-loan, or declare the Sub-loan to be immediately due and payable, or obtain a refund of all or any part of the amount of the Sub-loan then withdrawn, upon the client’s failure to perform any of its obligations under the Sub-loan Agreement; and

(ii) the requirement that each client:

(A) carry out its GRPVs investment with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices consistent with the Program Fiduciary, Environmental and Social Systems, and in compliance with the requirements of the ESSA and the Anti-Corruption Guidelines;

(B) procure the goods and works to be financed out of the Sub-loan in accordance with well-established private sector procurement methods or commercial practices, and:

(I) use such goods and works exclusively for the installation, operation and/or maintenance of GRPVs;

(II) refrain from procuring any contracts for: (a) civil works, estimated to cost one hundred fifteen million United States Dollars (USD 115,000,000) equivalent or more per contract; (b) goods, estimated to cost seventy five million United States Dollars (USD 75,000,000) equivalent or more per contract; (c) non-consulting services and IT systems, estimated to cost sixty million United States Dollars (USD 60,000,000) equivalent or more per contract; or (d) consultants’ services, estimated to cost thirty million United States Dollars (USD 30,000,000) equivalent or more per contract; and
III. refrain from awarding any contract financed by the Sub-loan to firms or individuals on the debarment list published by the World Bank;

(C) maintain procurement records (contracts, orders, invoices, bills, receipts and other documents) evidencing all expenditures incurred under the Sub-loan until at least five years after the signing of the Sub-loan;

(D) (I) maintain a financial management system and prepare financial statements in accordance with consistently applied general accounting principles/standards applicable in India, both in a manner adequate to reflect the operations, resources and expenditures related to its GRPVs investments; (II) regularly provide utilization certificates in support of any withdrawals of Sub-loan amounts providing name of suppliers/contractors with contract values in excess of USD 5,000,000 equivalent; and (III) at the World Bank's or the Recipient's request, have such foregoing financial statements and/or utilization certificates audited by independent auditors acceptable to the Recipient or the World Bank, as the case may be, in accordance with consistently applied auditing principles/standards applicable in India, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(E) enable the Recipient and the World Bank to inspect its premises, operations, the GRPVs investment, and/or any relevant records and documents related to the Sub-loan;

(F) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the foregoing.

3. The Recipient shall exercise its rights under each Sub-loan Agreement in such manner as to protect the interests of the World Bank and the Recipient and to accomplish the purposes of the Grant.

G. Program Action Plan

1. The Recipient shall implement the Program Action Plan agreed with the World Bank, in a manner and substance agreed with the World Bank.
2. In the event of any inconsistency between the provision of the Program Action Plan and those of this Agreement, the provision of this Agreement shall govern.

Section II. Excluded Activities

The Recipient shall ensure that the Program excludes any activities which:

(a) in the opinion of the World Bank, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

(b) involve the procurement of: (i) works, estimated to cost one hundred fifteen million United States Dollars (USD 115,000,000) equivalent or more per contract; (ii) goods, estimated to cost seventy five million United States Dollars (USD 75,000,000) equivalent or more per contract; (iii) non-consulting services and IT systems, estimated to cost sixty million United States Dollars (USD 60,000,000) equivalent or more per contract; or (iv) consultants' services, estimated to cost thirty million United States Dollars (USD 30,000,000) equivalent or more per contract.

Section III. Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

1. The Recipient shall monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 2.06 of the Standard Conditions. Each Program Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than sixty (60) days after the end of the period covered by such report.

2. Notwithstanding the provision of paragraph 1 above, the Recipient shall:

(a) prepare, by no later than November 30, 2018, and furnish to the World Bank, a mid-term review report, in a manner and substance satisfactory to the World Bank, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (1) above on the progress achieved in the carrying out of the Program during the period preceding the date of such report, and setting out the measures recommended to ensure: (i) the efficient carrying out of the Program and/or the said activities; and (ii) the achievement of the objectives of the Program, during the period following such date; and

(b) review with the World Bank, by January 31, 2019, or such later date as the World Bank shall agree, the mid-term review report referred in subparagraph (a) above, and, thereafter, take all measures required to ensure
the efficient completion of the Program and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the World Bank’s views on the matter.

B. Program Financial Audits

1. Without limitation on the generality of Section IA of this Schedule 2 and Section 2.07 of the Standard Conditions, the Recipient shall have its Financial Statements for the Program audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient, 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 nine (9) months after the end of such period.

2. Notwithstanding the provision of paragraph 1 above, the Recipient shall prepare and furnish to the World Bank not later than sixty (60) days after the end of each calendar semester, interim unaudited financial reports for the Program, covering the Program Expenditures incurred during the semester in form and substance agreed with the World Bank.

C. Verification Protocols for the Program

1. The Recipient shall furnish to MNRE and the World Bank any information and/or documentation that MNRE and/or the World Bank shall reasonably require for the monitoring, audit, analysis and/or verification of the achievement/fulfillment of the DLRs corresponding to DLI #1, as set out in Schedule 3 to this Agreement.

2. The Recipient shall:

(a) engage by no later than six (6) months after the date of this Agreement, and thereafter maintain, throughout the period of implementation of the Program, one or more verification agents, having experience and qualification in the relevant technical fields acceptable to the World Bank, and under terms of reference satisfactory to the World Bank, in order to monitor, audit, analyze and/or verify the achievement/fulfillment of the DLRs corresponding to DLI #2, as set out in Schedule 3 to this Agreement; and

(b) furnish to the World Bank the corresponding verification/audit reports, in form and substance agreed with the World Bank.
Section IV. **Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of Article III of the Standard Conditions, this Section, and such additional instructions as the World Bank may specify from time to time by notice to the Recipient to finance the results ("Disbursement Linked Results" or "DLRs") achieved by the Recipient, as measured against specific indicators ("Disbursement Linked Indicators" or "DLIs"); all as set forth in the table in Schedule 3 to this Agreement.

2. The following table specifies each category of withdrawal of the proceeds of the Grant (including the Disbursement Linked Indicators as applicable) ("Category"), as well as the allocation of the amounts of the Grant to each such Category:

<table>
<thead>
<tr>
<th>Category (including Disbursement Linked Indicator as applicable)</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) DLI #1: Technical assistance to key stakeholders for the implementation of MNRE's GRPV program</td>
<td>12,935,780</td>
</tr>
<tr>
<td>(2) DLI #2: Piloting new business models</td>
<td>10,000,000</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>22,935,780</strong></td>
</tr>
</tbody>
</table>

B. **Withdrawal Conditions; Withdrawal Period**

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

   (a) for purposes of Section 3.04 of the Standard Conditions (renumbered as such pursuant to paragraph 5 of Section II of the Appendix to this Agreement and relating to Program Expenditures), for payments for Program Expenditures made prior to the date of this Agreement except that withdrawals up to an aggregate amount not to exceed USD 1,146,000 may be made for such payments made prior to this agreement but on or after December 1, 2015; or/and

   (b) for any DLR under Category (1) or (2), until and unless:

       (i) the Recipient has prepared and adopted a Program Operations Manual, acceptable to the World Bank, including a pro-forma
Sub-loan Agreement detailing the environmental, social and safety standards applicable to all GRPV investments; and

(ii) the Recipient has furnished evidence satisfactory to the World Bank that said DLR has been achieved.

2. Notwithstanding the provisions of Part B.1(b)(ii) of this Section, the Recipient may, at any point in time and upon fulfillment of the condition precedent to disbursement set forth in Part B.1(b)(i) of this Section, withdraw an amount not to exceed USD 5,734,000 as an advance for purposes of achieving one or more DLRs for which the Recipient shall subsequently furnish to the World Bank evidence referred to in sub-paragraph 1.(b)(ii) (above of Part B of this Section IV; provided, however, that if by the date six (6) months after the Closing Date (i.e. the end of the acceptable period for the verification of the DLRs) the Recipient has withdrawn amounts out of the proceeds of the Grant in excess of the Allocated Amount(s) authorized for disbursement as per Schedule 3 of this Agreement in respect of documented/achieved DLRs, the World Bank shall require the Recipient to refund the amount of such excess to the World Bank, promptly upon notice thereof by the World Bank, in order for the World Bank to proceed with its cancellation. Notwithstanding the foregoing, the World Bank may, at any time, in its own discretion, exercise any actions set forth in sub-paragraph 3. (a) below of Part B of this Section IV, in respect of any such amounts.

3. Notwithstanding the provisions of Part B.1(b)(ii) of this Section, if the World Bank is not satisfied that any of the DLR(s) set forth in Schedule 3 of this Agreement has/have been achieved by the end of the Year in which said DLR(s) is/are set to be achieved, the World Bank may, at any time, by notice to the Recipient, decide, in its sole discretion, to:

(a) authorize the withdrawal of such lesser amount of the respective Allocated Amount(s) to said DLR(s) which, in the opinion of the World Bank, corresponds to the extent of achievement of said DLR(s);

(b) withhold all or a portion of the proceeds of the Grant then allocated to said DLR(s) until such DLR(s) is/are satisfactorily met;

(c) reallocate all or a portion of the proceeds of the Grant then allocated to said DLR(s) to any other DLR(s); and/or

(d) cancel all or a portion of the proceeds of the Grant then allocated to said DLR(s).

4. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is November 30, 2021.
5. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Recipient has failed to provide evidence satisfactory to the World Bank that the amount of the Grant withdrawn from the Grant Account does not exceed the total amount of Program Expenditures (exclusive of any such expenditures financed by any other financier or by the World Bank or the International Development Association under any other loan, credit or grant), the Recipient shall, promptly upon notice from the World Bank, refund to the World Bank such excess amount of the Grant withdrawn from the Grant Account. The World Bank shall cancel the refunded amount of the Grant withdrawn from the Grant Account.
## SCHEDULE 3

Disbursement-Linked Indicators, Disbursement-Linked Results and Allocated Amount(s) Applicable to the Program

<table>
<thead>
<tr>
<th>DISBURSEMENT LINKED INDICATORS</th>
<th>DISBURSEMENT LINKED RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Technical assistance to key stakeholders for the implementation of MNRE's GRPV program</strong></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2016/17 (YEAR 1)</strong>: SBI has entered into a contract with a consulting firm, under terms of reference (&quot;TORs&quot;) acceptable to the Bank, for the provision of technical assistance to GRPV</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2017/18 (YEAR 2)</strong>: SBI has concluded Phase 1 of the technical assistance for GRPV, as per the TORs.</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2018/19 (YEAR 3)</strong>: SBI has concluded Phase 2 of the technical assistance for GRPV, as per the TORs.</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2019/20 (YEAR 4)</strong>:</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2020/21 (YEAR 5)</strong>:</td>
</tr>
<tr>
<td><strong>Allocated Amount(s)</strong>: USD 2.936 million</td>
<td>USD 5 million</td>
</tr>
<tr>
<td>USD 5 million</td>
<td>USD 5 million</td>
</tr>
<tr>
<td><strong>2. Piloting new business models</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2016/17 (YEAR 1)</strong>: SBI has originated loans for SMEs and NBFCs for the financing of installation of solar (PV) rooftops for an aggregate amount of at least USD 15 million equivalent.</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2017/18 (YEAR 2)</strong>:</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2018/19 (YEAR 3)</strong>:</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2019/20 (YEAR 4)</strong>:</td>
</tr>
<tr>
<td></td>
<td><strong>RESULTS TO BE ACHIEVED IN FY2020/21 (YEAR 5)</strong>:</td>
</tr>
<tr>
<td><strong>Allocated Amount(s)</strong>: USD 10 million</td>
<td></td>
</tr>
</tbody>
</table>


APPENDIX

Section I. Definitions

1. "Allocated Amount(s)" means the amount allocated to each individual DLR, or determined for each DLR pursuant to the formula detailed in Schedule 3 to this Agreement, as such amount might be increased, reallocated and/or cancelled (whether partially or in its entirety) by the World Bank, from time to time as the case may be, in accordance with the provisions of Section IV.B.3 of Schedule 2 to this Agreement.


3. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

4. "CEA" means India's Central Electric Authority established pursuant to Section 70 of India's Electricity Act, 2003 (Act No. 36 of 2003), or any successor thereto.

5. "CTF" means the fund established by approval of the World Bank Executive Directors on July 1, 2008, and governed under the Governance Framework for the Clean Technology Fund.

6. "CTF Grant" means the grant in the amount of five million United States Dollars (USD5,000,000) provided by the CTF for the co-financing of the Program pursuant to the CTF Grant Agreement.

7. "CTF Grant Agreement" means the agreement between the Recipient and the International Bank for Reconstruction and Development, acting as an implementing entity of the CTF, for purposes of providing the CTF Grant for the co-financing of the Program, as such agreement may be amended from time to time.

8. "CTF Guarantee Agreement" means the agreement between India and the International Bank for Reconstruction and Development, acting as an implementing entity of the CTF, whereby India guarantees the Recipient's repayment of the CTF Loan, as the same may be amended from time to time.

9. "CTF Loan" means the loan in the amount of one hundred and twenty million United States Dollars (USD 120,000,000) provided by the CTF for the co-financing of the Program pursuant to the CTF Loan Agreement.
10. "CTF Loan Agreement" means the agreement between the Recipient and the International Bank for Reconstruction and Development, acting as an implementing entity of the CTF, for purposes of providing the CTF Loan for the co-financing of the Program, as such agreement may be amended from time to time.

11. "DISCOMs" means electric power distribution companies, licensed and operating in the territory of India.

12. "Disbursement Linked Indicator" or "DLI" means each of the disbursement-linked indicators set forth in the first column of the table provided in Schedule 3 to this Agreement.

13. "Disbursement Linked Result" or "DLR" means each of the disbursement-linked targets/results set forth in Schedule 3 to this Agreement in the columns entitled "Results to be Achieved in FY2016/17 (Year 1)", "Results to be Achieved in FY2017/18 (Year 2)", "Results to be Achieved in FY2018/19 (Year 3)", Results to be Achieved in FY2019/20 (Year 4)" or "Results to be Achieved in FY2020/21 (Year 5)", as applicable.

14. "ESSA" means the Environmental and Social Systems Assessment dated February 9, 2016, and applicable to the Program setting forth the description of the Program’s activities, assessing SBI’s environmental and social management systems, detailing the Program’s environmental and social benefits, risks and impacts, and recommending remedial measures to strengthen SBI’s social and environmental systems performance.

15. "ERCs" means the State Electricity Regulatory Commissions established pursuant to Section 82 of the of India’s Electricity Act, 2003 (Act No. 36 of 2003), or the successors thereto.

16. "Fiscal Year" or "FY" means the Recipient’s fiscal year which begins on April 1 of each calendar year and ends on March 31 of the next calendar year.

17. "Governance Framework for the Clean Technology Fund" means the framework adopted on November 18, 2008 by the CTF trust fund committee, as amended from time to time.

18. "GRPV" means a grid-connected rooftop solar photovoltaic system meeting the technical requirements of the Program Operations Manual.

20. "IBRD Guarantee Agreement" means the agreement between India and the World Bank whereby India guarantees the Recipient's repayment of the IBRD Loan, as the same may be amended from time to time.

21. "IBRD Loan" means the loan in the amount of five hundred million United States Dollars (USD 500,000,000) provided by the IBRD for the co-financing of the Program pursuant to the IBRD Loan Agreement.

22. "IBRD Loan Agreement" means the agreement between the Recipient and the International Bank for Reconstruction and Development, for purposes of providing the IBRD Loan for the co-financing of the Program, as such agreement may be amended from time to time.

23. "INR" means Indian Rupees.

24. "IT" means information technology.

25. "IUFR" means the interim unaudited financial reports to be prepared by the Recipient pursuant to Section III.B.2 of Schedule 2 to this Agreement.

26. "Lender's Engineer" means the independent engineer(s) to be hired by SBI for monitoring and quality assurance, and the assessment of safety issues during GRPV construction and operation phases, pursuant to Section I.C.1.(a) of Schedule 2 to this Agreement.

27. "MNRE" means India's Ministry of New and Renewable Energy, or any successor thereto.

28. "MW" means megawatt.

29. "NBFCs" means non-banking financial companies registered with the Reserve Bank of India.

30. "Phase 1" means the first set of outputs set forth in the TORs and identified to be delivered in Year 2 of the Program, unless otherwise agreed by the World Bank.

31. "Phase 2" means the second and final set of outputs set forth in the TORs and identified to be delivered in Year 3 of the Program, unless otherwise agreed by the World Bank.

32. "PIU" means the Program Implementation Unit to be established by the Recipient as per Result Area 1, sub-paragraph (a)(i), pursuant to the provisions of the Program Operations Manual.
33. "PMC" means the consultant to be hired by SBI for the implementation of activities under Result Area 1(b) of the Program, pursuant to Section I.C.1.(b) of Schedule 2 to this Agreement.

34. "Program" means the program described in Schedule 1 to this Agreement, which is supported by this Grant, and by the IBRD Loan, the CTF Loan and the CTF Grant.

35. "Program Action Plan" means the plan dated March 23, 2016, setting forth priority actions by the Recipient and the World Bank for the strengthening of the Program Fiduciary, Environmental and Social Systems, and referred to in Section I.G of the Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written concurrence of the World Bank.

36. "Program Fiduciary, Environmental and Social Systems" means the Recipient's systems for the Program referred to in Section I.A.1 of Schedule 2 to this Agreement.

37. "Program Operations Manual" and the acronym "POM" mean the Program Operational Manual, to be prepared by the Recipient in a manner and substance satisfactory to the World Bank for purposes of carrying out the Program, which manual shall comprise, inter alia: (i) the definition of the contours of the Program, including Program activities, results framework, overall budget and list of Program Expenditures; (ii) the Program implementation arrangements, including the setup of a dedicated PIU, identification of key relevant staff, and the allocation of functions and responsibilities within SBI's cadres; (iii) the format of the Program's IUFRs; (iv) the technical specification of GRPV equipment eligible for financing, the various financing modalities therefor, and loan pricing; (v) the screening protocols and procedures for the assessment of clients and the evaluation of their GRPV financing application, including social compliance and safety and environmental standards set forth in the ESSA; (vi) the pro-forma Sub-loan, setting forth the terms and conditions for GRPV financing, including the applicable procurement thresholds, the World Bank's Anti-Corruption Guidelines, and environmental, social and safety requirements consistent with the Program Fiduciary and Environmental and Social Systems and the ESSA; (vii) the DLIs/DLRs verification protocols and arrangements, and the terms of reference for the verification agents to be hired pursuant to Section III.C of Schedule 2 to this Agreement; (viii) the procedure for the preparation of annual work plans and budgets; (ix) the terms of reference for the external auditor preparing the Program's Financial Statements, and the Lender's Engineer; (x) the protocols and procedures for the grievance redress mechanism set forth in Section I.A.2 of Schedule 2 to this Agreement; and (xi) the Program monitoring and evaluation, and reporting requirements, as the same might be amended from time to time with the prior concurrence of the World Bank.
38. “PV” means photo-voltaic.

39. “Relevant Institutions” means collectively the SNAs, ERCs, Power Departments of the States of India, the distribution companies licensed and operating in the territory of India, media companies and other consumer education channels, and/or any other stakeholder that the Recipient and the World Bank shall agree from time to time.

40. “Reserve Bank of India” means India’s central bank.

41. “SBI” means the State Bank of India, a statutory corporation bank, incorporated pursuant to the State Bank of India Act, 1955 (Act No. 23 of 1955), and operating under the SBI Act and SBI General Regulations.

42. “SBI Act and SBI General Regulations” means the State Bank of India Act, 1955 (Act No. 23 of 1955) along with: (i) State Bank of India General Regulation, 1955; (ii) State Bank (Compensation on Imperial Bank Shares) Rules, 1955; (iii) State Bank of India (appointment of employee Directors) Rules, 1974; (iv) State Bank of India Administrator (Salary and Allowances) Rules, 2013; and (v) State Bank of India Committee (Procedure) Rules, 2013, as the same might have been amended and supplemented to the date of this Agreement.

43. “SMEs” means small and medium enterprises as defined in India’s Micro, Small and Medium Enterprise Development Act (2006) (No. 27 of 2006).

44. “SNAs” means, collectively, the State Nodal Agencies of the States of India, responsible for coordination of all renewable energy activities of the respective States, including channeling of central sector subsidies, or any successor thereto.


46. “Steering Committee” means the committee established and chaired by a representative of MNRE for the purposes set out in Section 3.01 of the IBRD Guarantee Agreement and Section 3.01 of the CTF Guarantee Agreement.

47. “Sub-loan” means each of the loans (to be) made available by the Recipient to one of its client under the respective Sub-loan Agreement, for the financing of the acquisition, installation, operation and maintenance of GRPV pursuant to Section I.F of Schedule 2 to this Agreement and the eligibility criteria and technical specification set forth in the Program Operations Manual.

48. “Sub-loan Agreement” means each of the agreements (to be) entered by the Recipient with a client for purposes of extending a Sub-loan, pursuant to Section
49. "TORs" means terms of reference.

50. "Year" means any of the Years 1 through 5 of Program implementation, as the context shall determine.

51. "Year 1" means the first year of implementation of Program activities, expected to take place in Fiscal Year 2016/17 in order to achieve the results shown in the second column of the table in Schedule 3 to this Agreement.

52. "Year 2" means the second year of implementation of Program activities, expected to take place in Fiscal Year 2017/18 in order to achieve the results shown in the third column of the table in Schedule 3 to this Agreement.

53. "Year 3" means the third year of implementation of Program activities, expected to take place in Fiscal Year 2018/19 in order to achieve the results shown in the fourth column of the table in Schedule 3 to this Agreement.

54. "Year 4" means the fourth year of implementation of Program activities, expected to take place in Fiscal Year 2019/20 in order to achieve the results shown in the fifth column of the table in Schedule 3 to this Agreement.

55. "Year 5" means the fifth year of implementation of Program activities, expected to take place in Fiscal Year 2020/21 in order to achieve the results shown in the sixth column of the table in Schedule 3 to this Agreement.

Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. Wherever used throughout the Standard Conditions, the term “the Project” is modified to read “the Program”, the term “Project Report” is modified to read “Program Report”, and the term “Eligible Expenditure” is modified to read “Program Expenditure”.

2. Section 3.03, Special Commitment by the World Bank, is deleted in its entirety, and the subsequent Sections in Article III are renumbered accordingly.

3. In Section 3.03 (originally numbered as Section 3.04), the phrase “or to request the World Bank to enter into a Special Commitment” is deleted.
4. The section originally numbered as Section 3.05, Designated Accounts, is deleted in its entirety, and the subsequent Sections in Article III are renumbered accordingly.

5. Paragraph (a) of Section 3.04 (originally numbered as Section 3.06), Eligible Expenditures (renamed “Program Expenditures” in accordance with paragraph 1 of this Section II), is modified to read: “(a) the payment is for the reasonable cost of expenditures required for the Program and to be financed out of the proceeds of the Grant in accordance with the provisions of the Grant Agreement;”.

6. Paragraph (a) of Section 3.05 (originally numbered as Section 3.07), Financing Taxes, is modified to read: “(a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Program Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the World Bank may, by notice to the Recipient, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals.”

7. The last sentence of Section 3.05 (originally numbered as Section 3.07), Financing Taxes, is modified to read: “To that end, if the World Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the World Bank may, by notice to the Recipient, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such policy of the World Bank.”.

8. Section 3.06 (originally numbered as Section 3.08), Reallocation, is modified to read: “Notwithstanding any allocation of an amount of the Grant to a withdrawal category under the Grant Agreement, the World Bank may, by notice to the Recipient, reallocate any other amount of the Grant to such category if the World Bank reasonably determines at any time that such reallocation is appropriate for the purposes of the Program.”

9. Section 4.01, Cancellation by the Recipient, is modified to read: “The Recipient may, by notice to the World Bank, cancel any unwithdrawn amount of the Grant.”

10. Paragraph (d) of Section 4.03, Cancellation by the World Bank, entitled “Misprocurement”, is deleted, and subsequent paragraph (e) is re-lettered accordingly.

11. Section 4.04, Amounts Subject to Special Commitment Unaffected, is deleted in its entirety, and subsequent Sections in Article IV and references to such Sections are renumbered accordingly.
12. In the Appendix, Definitions, all references to Section numbers are modified, as necessary, to reflect the modifications set forth above. In addition, the definition of the term “Special Commitment” set forth in paragraph 22 is deleted in its entirety, and all subsequent paragraphs are renumbered accordingly.