CREDIT NUMBERS 6655-IN and 6656-IN

Financing Agreement

(Accelerating India’s COVID-19 Social Protection Response Program Development Policy Financing)

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between INDIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Loan Agreement). The Association has decided to provide this financing on the basis, inter alia, of: (i) the actions which the Recipient has already taken under the Program and which are described in Section I of Schedule 1 to the Loan Agreement; and (ii) the Recipient’s maintenance of an adequate macroeconomic policy framework.

WHEREAS (A) the Recipient requested a financing in an amount equivalent to seven hundred and fifty million Dollars to support the Program; and

(B) Further to review of its options, the Recipient requested that part of such financing be provided by the International Bank for Reconstruction and Development and the balance by the Association.

NOW, THEREFORE, the Recipient and the Association therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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, in the Appendix to this Agreement or in the Appendix to the Loan Agreement (as defined in the Appendix to this Agreement). However, when referring to provisions of the Loan Agreement incorporated in this Agreement, the term “Borrower” shall mean “Recipient”, the term “Bank” shall mean “Association” and the term “Loan” shall mean “Financing”.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a financing (variously, “Credit” and “Financing”) comprising:

(a) a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in the amount of two hundred and twenty-six million eight hundred thousand Special Drawing Rights (SDR226,800,000) ("Credit A"); and
(b) a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of two hundred and forty million four hundred and thirty thousand Dollars ($240,430,000), as such amount may be converted from time to time through a Currency Conversion ("Credit B").

2.02. The Front-end Fee applicable to Credit B only is one quarter of one percent (¼ of 1%) of the Credit amount of Credit B.

2.03 (a) The Maximum Commitment Charge Rate applicable to Credit A only is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance of Credit A.

   (b) The Commitment Charge applicable to Credit B only is one-quarter of one percent (¼ of 1%) per annum on the Unwithdrawn Credit Balance of Credit B.

2.04. The Service Charge applicable to Credit A only is three-fourths of one percent (3/4 of 1%) per annum; on the Withdrawn Credit Balance for Credit A.

2.05. (a) The Interest Charge applicable to Credit A only is one and a quarter percent (1.25%) per annum; on the Withdrawn Credit Balance for Credit A.

   (b) The Interest Charge applicable to Credit B only is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.09(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 Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 2 to this Agreement.

2.08. The Payment Currency is Dollar.

2.09. Without limitation upon the provisions of Section 5.05 of the General Conditions, the Recipient shall promptly furnish to the Association such information relating to the provisions of this Article II as the Association may, from time to time, reasonably request.
ARTICLE III — PROGRAM

3.01. The Recipient declares its commitment to the Program and its implementation. To this end, and further to Section 5.05 of the General Conditions:

(a) the Recipient and the Association shall from time to time, at the request of either party, exchange views on the Recipient’s macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Recipient shall furnish to the Association for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Association shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Association is satisfied with the progress achieved by the Recipient in carrying out the Program and with the adequacy of the Recipient’s macroeconomic policy framework.

5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.03. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the Signature Date.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is any one of the following officials: Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary, or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Recipient.

6.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

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

(b) the Recipient’s Electronic Address is:

Facsimile: E-mail:
+91-11-23094075 secy-dea@nic.in

6.03. For purposes of Section 11.01 of the General Conditions: (a) The Association’s address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association’s Electronic Address is:

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

INDIA

By

[Signature]

Authorized Representative

Name: SAMEER KUMAR KHARE

Title: ADDITIONAL SECRETARY

Date: MAY 15, 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: JUNAID KAMAL AHMAD

Title: COUNTRY DIRECTOR, INDIA

Date: MAY 15, 2020
SCHEDULE I

Availability of Financing Proceeds

Section I. Availability of Financing Proceeds

A. General. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of this Section and such additional instructions as the Association may specify by notice to the Recipient.

B. Allocation of Financing Amounts. The Financing (except for the amounts of Credit B required to pay the Front-end Fee under Credit B) is allocated in a single withdrawal tranche, from which the Recipient may make withdrawals of the Financing proceeds. The allocation of the amounts of the Financing to this end is set out in the table below:

<table>
<thead>
<tr>
<th>Allocations</th>
<th>Amount of Credit A Allocated (expressed in SDR)</th>
<th>Amount of Credit B Allocated (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Single Withdrawal Tranche</td>
<td>226,800,000</td>
<td>239,828,925</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>N/A</td>
<td>601,075</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>226,800,000</td>
<td>240,430,000</td>
</tr>
</tbody>
</table>

C. Withdrawal Tranche Release Conditions.

No withdrawal shall be made of the Single Withdrawal Tranche unless the Association is satisfied: (a) with the Program being carried out by the Recipient; and (b) with the adequacy of the Recipient's macroeconomic policy framework.

D. Deposit of Financing Amounts.

The Recipient, within thirty (30) days after the withdrawal of the Financing from the Financing Account, shall report to the Association: (a) the exact sum received into the account referred to in Section 2.03 (a) of the General Conditions; (b) the details of the account to which the Indian Rupees equivalent of the Financing proceeds will be credited; (c) the record that an equivalent amount has been accounted for in the Recipient's budget management systems; and (d) the statement of receipts and disbursement of the account referred to in Section 2.03 (a) of the General Conditions.

E. Closing Date. The Closing Date is December 1, 2021.
SCHEDULE 2

Repayment Schedule

I. Repayment Schedule of Credit A

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of Credit A repayable (expressed as a percentage) *</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each October 15 and April 15:</td>
<td></td>
</tr>
<tr>
<td>commencing October 15, 2025 to and including April 15, 2045</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing October 15, 2045 to and including April 15, 2050</td>
<td>3.40%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of Credit A to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

II. Repayment Schedule of Credit B

The following table sets forth the Principal Payment Dates of Credit B and the percentage of the total principal amount of the Credit B payable on each Principal Payment Date ("Installment Share").

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each October 15 and April 15</td>
<td></td>
</tr>
<tr>
<td>Beginning October 15, 2025 through April 15, 2038</td>
<td>3.7%</td>
</tr>
<tr>
<td>On October 15, 2038</td>
<td>3.8%</td>
</tr>
</tbody>
</table>
APPENDIX

Definitions


2. "Loan Agreement" means the loan agreement for the Program between the Recipient and the Bank, dated the same date as this Agreement, as such loan agreement may be amended from time to time. "Loan Agreement" includes all appendices, schedules and agreements supplemental to the Loan Agreement.

3. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

4. "Single Withdrawal Tranche" means the amount of the Financing allocated to the category entitled "Single Withdrawal Tranche" in the table set forth in Part B of Section II of Schedule 1 to this Agreement.