



January 11, 2023

Mr. Ravindra Kumar Jain
Managing Director
Dedicated Freight Corridor Corporation of India Limited
5th Floor, Supreme Court Metro Station Building Complex
Pragati Maidan
New Delhi, 110001
India

Re: IBRD Loan 9400-IN (Rail Logistics Project)
Additional Instructions: Disbursement and Financial Information Letter

Mr. Ravindra Kumar Jain,

I refer to the Loan Agreement between Dedicated Freight Corridor Corporation of India Limited (DFCCIL, the “Borrower”) and the International Bank for Reconstruction and Development (the “World Bank”) for the IBRD Loan 9400-IN Rail Logistics Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time to time request withdrawals of Loan Amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter (DFIL), including Project specific financial reporting requirements.

I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017, (“Disbursement Guidelines”) are available in the 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 the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

(i) Disbursement Arrangements/Provisions. The below Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatures, processing of withdrawal applications, including minimum value of applications, and instructions on supporting documentation.

(ii) Electronic Delivery (Section 10.01 (c) of the General Conditions)

The World Bank may permit the Borrower to electronically deliver applications (with supporting documents) through the World Bank’s web-based portal “Client Connection”. This option may be effected if the officials designated in writing by the Borrower who are authorized to sign and deliver Applications have registered as users of “Client Connection”. The designated officials may 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 continue to exercise the option of preparing and delivering

Applications in paper form. The World Bank reserves the right and may, in its sole discretion, temporarily or permanently disallow the electronic delivery of Applications by the Borrower. 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 World Bank's public website at <https://worldbank.org> and "Client Connection"; and (b) to cause such official to abide by those terms and conditions.

II. Financial Reports and Audits

(i) **Financial Reports.** The Borrower must prepare and furnish to the World Bank not later than forty-five (45) days after the end of each calendar quarter, interim financial report ("IFR") for the Project covering the quarter.

(ii) **Audits.** DFCCIL will prepare and submit to the Bank Financial Statements related to: (a) DFCCIL as an entity of its own i. e. corporate financial statements, and (b) the Project. Both such financial statements to be prepared in accordance with applicable accounting standards in India. Each audit of the Project's Financial Statements must cover the period of one fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Project's Financial Statements for each such period must be furnished to the Bank not later than nine (9) months after the end of such period i.e. December 31 of each year.

The Bank Team further clarified that in respect of (a) the entity audit, the statutory auditors of DFCCIL appointed by the Comptroller & Auditor General of India (C&AG) under section 139 of the Companies Act, 2013 would be acceptable to the Bank as independent auditor; and (b) for purposes of the audit for the Project financial statements, DFCCIL shall appoint an independent firm of Chartered Accountants, which may also include the statutory auditors referred to above, under terms of reference satisfactory to the Bank, in order to fulfill the role of independent auditor. The auditing standards prescribed under section 143 of the Companies Act, 2013 and issued by the Institute of Chartered Accountants of India would constitute auditing standards acceptable to the Bank for purposes of the above mentioned financial statements.

III. Other Information

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the World Bank's public website (<http://www.worldbank.org/>) and in "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 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, please contact the World Bank by email at clientconnection@worldbank.org. If you have any queries in relation to the above, please contact us through the service account AskLoans@WorldBank.org, using the reference **IBRD Loan No. 9400-IN Rail Logistics Project**.

Yours sincerely,



Auguste Tano Kouame
Country Director
India

Copy:

Mr. Vinay Kumar Tripathi

Chairman and CEO Railway Board

Attachments

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

Schedule 1 : Disbursement Provisions

Basic Information					
Loan Number	9400-IN	Country	India	Closing Date	Section III.B.2 of Schedule 2 to the Loan Agreement.
		Borrower/Beneficiary	DFCCIL		
		Name of the Project	Rail Logistics Project	Disbursement Deadline Date	Four months after the closing date.
Subsection 3.7 **					
Disbursement Methods and Supporting Documentation					
Disbursement Methods	Methods	Supporting Documentation			
Section 2 (**)		Subsections 4.3 and 4.4 (**)			
Direct Payment	No	N/A			
Reimbursement	Yes	Interim unaudited Financial Report (IUFR) in the format provided in Attachment 2 of the DFIL			
Advance through a Designated Account	No	N/A			
Special Commitments	No	N/A			
Designated Account (Sections 5 and 6 **)					
Not applicable					
Minimum Value of Applications (subsection 3.5)					
Not applicable.					
Authorized Signatures (Subsection 3.1 and 3.2 **) The form for Authorized Signatories Letter is provided in Attachment 1 of this letter Withdrawal and Documentation Applications (Subsection 3.3 and 3.4 **)					
<p>The Authorized Signatory Letter (ASL) will be sent electronically to the Bank, and if in paper, it will be sent to the following address:</p> <p>The World Bank Group No. 11, Taramani Main Road Taramani, Chennai – 600 113, India Attention: TF and Loan Operations Unit (WFACS)</p> <p>All Withdrawal Applications and its supporting documentation will be electronically sent through the World Bank’s system ClientConnection.</p>					
Additional Instructions					
<ul style="list-style-type: none"> • Distribution of expenditures among PBCs and non-PBCs. According to the Disbursement table in the Loan Agreement (Section IV.B. of Schedule 2), categories 2 is PBC and category 1 is non-PBC. Both will be supported with eligible underlying expenditures as indicated in the Project Appraisal Document (PAD). • Eligible Expenditures Program (EEPBCs). The EEP consists of the following expenditures: goods, works, non-consulting services, consulting services and training within the corresponding disbursement categories (and include cost of construction of project sections under component 1; and technical assistance for Institutional capacity strengthening of Dedicated Freight Corridor Corporation of India Limited under component 2). The detailed information on expenditures for PBC (and non-PBC) categories is provided in the Project Implementation Manual. • Disbursement Table. Section III.C. of Schedule 2 provides the total allocation to Performance-Based Conditions, and the PAD provides detailed information. 					

- **Performance-Based Conditions (PBCs).** Disbursements against PBCs will be made based on achieved and verified PBCs, and against underlying eligible expenditures reported in the quarterly IFRs. The table in section III.A. to the Loan Agreement, with respect to the PBCs and the allocated amount to each of them in the table in Schedule 2 to the Loan Agreement).
- **Closing Date and PBCs.** PBCs might be achieved at any time during project implementation until the Closing Date.
- **Scalability of PBCs.** Partially achieved PBCs which are scalable will disburse in the proportion of the achievement if supported by underlying eligible expenditures.
- **Excess reimbursement of PBCs.** If as a result of an audit or any review, an overpaid PBC is identified, the equivalent amount will be reimbursed to the Bank (the substitution of documentation or adjustment of the IFRs will be done on exceptional basis, and prior agreement with the World Bank).

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

Attachment 1 – Form of Authorized Signatory Letter

[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: [NAME], Country Director

Re: Loan No. _____ (**Rail Logistics Project**)

I refer to the Loan Agreement (“Agreement”) between India (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”), 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, including by electronic means, 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 Bank.

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

[Name], [position] Specimen Signature: _____

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 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 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 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 Bank.*

[Name], [position]

Specimen Signature: _____

[Name], [position]

Specimen Signature: _____

Yours truly,

/ signed /

[Position]

Attachment 2– Interim Unaudited Financial Report (IFR)

Interim Unaudited Financial Report (IFR - 1)
Rail Logistics Project
Dedicated Freight Corridor Corporation of India Limited
Sources and Uses of Funds for the Quarter/Period _____ to _____

in INR

Sl. No.	Item	Allocation (USD million)	Cumulative Balance as on _____	Actual		
				Current quarter/period (_____)	Year to Date (Year _____)	Project to Date
A	Sources of Funds					
	Loan received from IBRD	245.0				0.00
	Counterpart funding	100.0				0.00
	Other Sources [Specify]	145.0				0.00
						0.00
	Total Sources	490.0	0.0	0.0	0.0	0.0
B	Uses of Funds					
	Component 1: Creation of Infrastructure to deliver multimodal transport services	480.0				0.00
	Component 2: Institutional capacity strengthening	10.0				0.00
	Total Uses	490.0	0.0	0.0	0.0	0.0
	Of the Total Uses					
	Expenditure for Reimbursement					
	Eligible Expenditure Program for Performance Based Conditions (EEPBC)					
	Total		0.0	0.0	0.0	0.0

Note: Expenditure in IFR-1 should match with IFR-2

 Authorized Signatory

 Authorized Signatory

Interim Unaudited Financial Report (IFR - 2)
Rail Logistics Project
Dedicated Freight Corridor Corporation of India Limited
Detailed Project Expenditure for the Quarter/Period _____ to _____

in INR

Sl. No.	Item	Actual		
		Opening Balance (Cumulative) as on _____	Current quarter/ period (_____)	Year to Date (Year _____) Project to Date
	Component 1: Creation of Infrastructure to deliver multimodal transport services			
1.1	Construction of EDFC Corridor			
(i)	Design, construction, commissioning and testing of Khurja-Ludhiana section			
(ii)	Design, construction, commissioning and testing Kanpur – Mughal Sarai section			
(iii)	Consultancy for Project Management			
(iv)	Consultancy for Social and Environment Management			
(v)	Consultancy for Quality and Safety Audit			
(vi)	Others(Specify)			
	sub-total (a) Construction of EDFC Corridor			
1.2	Last Mile Connectivity			
(i)	Design, construction, commissioning and testing - Civil			
(ii)	Design, construction, commissioning and testing - Structure Track			
(iii)	Design, construction, commissioning and testing - Electrical and Signalling			
(iv)	Consultancy for Supervision			
(v)	Others(Specify)			
	sub-total (b) Last Mile Connectivity			
	Total Component 1			
	Component 2: Institutional capacity strengthening			
2.1	Studies and implementation support for Commercial Management			
2.2	Studies and implementation support for Operation and Asset Management Practices			
2.3	Programmatic support on environment and social safeguard management			
2.4	Implementation of Safety Management System			
2.5	Capacity Building			
	Others(Specify)			
	Total Component 2			
	Total Uses			

Note: Expenditure in IFR-1 should match with IFR-2

Authorized Signatory

Authorized Signatory

Interim Unaudited Financial Report (IFR - 3)
 Rail Logistics Project
 Dedicated Freight Corridor Corporation of India Limited
 Project/Contract Monitoring Report for the Quarter/Period _____ to _____

INR

Sr.No.	Contract no/ Description of Work	WBR No. & Date of WB NO	Supplier / Contractor Name	Original Contract				Contract Revisions		Current quarter/ period	Payments (INR)					Total Allocation under IBRD (USD million)
				Date of Contract	Contract Amount (Payment Currency & INR) excluding	Start Date	Date of Completion	Additional Work (Payment Currency & INR)	Revised Date of Completion		Cumulative till Date					
											Original Contract	Price Adjustment	Additional Work	Total	Amount in Currency of Payment	
Component 1: Creation of Infrastructure to deliver multimodal transport services																
	1.1	<i>Construction of EDFC Corridor</i>														
	1.2	<i>Last Mile Connectivity</i>														
	<i>sub-total component 1</i>															
Component 2: Institutional Capacity Strengthening																
	2.1	<i>Studies and implementation support</i>														
	2.2	<i>Studies and implementation support</i>														
	2.3	<i>Programmatic support on</i>														
	2.4	<i>Implementation of Safety</i>														
	2.5	<i>Capacity Building</i>														
	<i>sub-total component 2</i>															
	<i>Grand Total</i>															

Note: The total in IFR-3 should match with total expenditure in IFR1/2

Interim Unaudited Financial Report (IFR - 4)
Rail Logistics Project
Dedicated Freight Corridor Corporation of India Limited
Disbursement Summary for the Quarter/Period _____ to _____

Category	Category/ Component	Expenditure (INR)		IBRD Eligible (INR)		Disbursed by IBRD (USD)	Allocation (USD)
		For the quarter/ period	Cumulative	%	Claim for the quarter/ period		
1	Goods, works, non-consulting services, Training, and consulting services, except for those financed under Category (2), under the Project			50%			144,387,500.0
2	Goods, works, non-consulting services, Training, and consulting services for Eligible Expenditures for PBCs (EEPBC) under the Project			50%			100,000,000.0
3	Front End Fee						612,500.0
	Grand Total	0.0	0.0		0.0	0.0	245,000,000.0

Interim Unaudited Financial Report (IFR - 5)
Rail Logistics Project
Dedicated Freight Corridor Corporation of India Limited
PBC and Eligible Expenditures (EEPBC) for the Quarter/Period _____ to _____

	Computation of available EEP	For the quarter/ period	Cumulative
1	Cumulative EEPBCs as per IFR1 in INR		
2	Cumulative EEPBCs - Bank share @50% of (1) in INR		
3	EEPBCs utilized for disbursement till date against PBCs in Category 2 in INR		
4	Balance Qualifying EEPBCs (2-3) in INR		
5	Balance Qualifying EEPBCs in USD [<i>converted on date of notification of achievement of PBCs to the Bank</i>]		
6	Value (in USD) of PBCs achieved during the quarter/ period [<i>from PBC Achievement Summary below</i>]		
7	PBCs achieved to be disbursed in USD [<i>to the extent (5) is more than (6)</i>]		
8	PBCs achieved remaining undisbursed in USD [7-5]		

in USD mn

PBC No.	PBC Achievement Summary	Allocation	Achieved and notified up to the beginning of the quarter/ period	Achieved and notified during the quarter/ period	Achieved and notified up to the end of the quarter/ period
PBC1	Shift of Indian Railway traffic to completed sections of the Dedicated Freight Corridors	40.0			
PBC2	Payment of Access Charges by Indian Railways	15.0			
PBC3	DFCCIL's Public Private Partnership policy established	15.0			
PBC4	Enhanced capacity of DFCCIL to create Dedicated Freight Corridors with private sector investment in rail	5.0			
PBC5	Privately financed terminals on DFCCIL lines start moving traffic	5.0			
PBC6	Non – discriminatory access regime established	5.0			
PBC7	Tariff rail regulatory authority established	5.0			
PBC8	Commercial bank financing raised	10.0			
	Total	100.0	0.0	0.0	0.0