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LOAN NUMBER 3964 - IND

LOAN AGREEMENT  
(Ordinary Operations)

(Delhi–Meerut Regional Rapid Transit System Investment Project – Project 1)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 08 September 2020

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IND 51073-002

**LOAN AGREEMENT  
(Ordinary Operations)**

LOAN AGREEMENT dated 08 September 2020 between INDIA acting by its President ("Borrower") and ASIAN DEVELOPMENT BANK (ADB).

**WHEREAS**

(A) by a framework financing agreement dated 23 June 2020 between the Borrower and ADB, ADB had agreed to provide a multitranche financing facility to the Borrower for the purposes of financing projects under the Delhi–Meerut Regional Rapid Transit System Investment Project ("Investment Project");

(B) by a periodic financing request dated 23 June 2020 submitted by the Borrower ("PFR"), the Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(C) the Project will be carried out by the Borrower's Ministry of Housing and Urban Affairs ("MOHUA") acting through the National Capital Region Transport Corporation ("NCRTC") (the Project Executing Agency or "EA"), and for this purpose the Borrower through MOHUA will make the proceeds of the Loan provided for herein available to MOHUA and MOHUA will make available the proceeds of the Loan to the EA, upon terms and conditions mutually satisfactory to ADB and the Borrower;

(D) the Borrower had requested the Asian Infrastructure Investment Bank ("AIIB") for a loan in the amount of five hundred million dollars (\$500,000,000) ("AIIB Loan") to be partially administered by ADB; and by a Co-Lender's Agreement ("AIIB Project Co-Lender's Agreement") between ADB and the AIIB, ADB has agreed to partially administer the AIIB Loan (the AIIB Loan, and together with the Ordinary Operations Loan, hereinafter referred to as the "Loans") on the terms and conditions set forth in the AIIB Project Co-Lender's Agreement;

(E) by an agreement of even date herewith ("Grant Agreement"), ADB has also agreed to make available to the Borrower the proceeds of a grant from the Japan Fund for Poverty Reduction ("JFPR") Trust Fund, to be administered by ADB, in an amount of three million Dollars (\$3,000,000) for the purposes of the Investment Project; and

(F) ADB has agreed to make a loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein and in the Project Agreement of even date herewith between ADB and NCRTC;

NOW THEREFORE the parties hereto agree as follows:

## ARTICLE I

### Loan Regulations; Definitions

Section 1.01. All the provisions of ADB's Ordinary Operations Loan Regulations, dated 1 January 2017 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

(a) "Consulting Services" means consulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Loan;

(b) "EA" or "Project Executing Agency" for the purposes of, and within the meaning of, the Loan Regulations means MOHUA acting through the NCRTC, or any successor thereto, which is responsible for the carrying out of the Project;

(c) "EARF" or "Environmental Assessment and Review Framework" means the environmental assessment and review framework for the Investment Project, including any update thereto, prepared and submitted by the Borrower through the EA and cleared by ADB;

(d) "EIA" means the environment impact assessment for the Investment Project, including any update thereto, prepared and submitted by the Borrower through the EA, pursuant to the requirements set forth in the EARF and cleared by ADB;

(e) "EMP" means each the environmental management plan for the Investment Project, including any update thereto, prepared and submitted by the Borrower through the EA, cleared by ADB, and incorporated in the EIA;

(f) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;

(g) "EWCD" means the elderly, women, children and the differently abled persons;

(h) "Financing Arrangements" means the arrangements between the Borrower and the MOHUA as per current policy of the Borrower, and acceptable to ADB;

(i) "Facility" means the multitranche financing facility provided by ADB to the Borrower for purposes of financing projects under the Investment Project;

(j) "FAM" means the Facility Administration Manual for the Investment Project dated June 2020 and agreed between the Borrower, ADB, and the EA, as updated from time to time;

(k) "FFA" means the Framework Financing Agreement dated 23 June 2020 between ADB and the Borrower with respect to the Facility;

(l) "FMAP" means the Financial Management Action Plan as included in the FAM;

(m) "GESI AP" means the Gender Equality and Social Inclusion Action Plan prepared for the Investment Project, including any update thereto, prepared and submitted by the Borrower through the EA and cleared by ADB;

(n) "Goods" means equipment and materials to be financed out of the proceeds of the Loan, including related services such as transportation, insurance, installation, commissioning, training, and initial maintenance, but excluding Consulting Services;

(o) "Indigenous Peoples Safeguards" means the principles and requirements set forth in Chapter V, Appendix 3, and Appendix 4 (as applicable) of the SPS;

(p) "Investment Project" means the Delhi-Meerut Rapid Transit System Investment Project;

(q) "Involuntary Resettlement Safeguards" means the principles and requirements set forth in Chapter V, Appendix 2, and Appendix 4 (as applicable) of the SPS;

(r) "IPP" means each indigenous peoples plan for the Investment Project, including any update thereto, to be prepared and submitted by the Borrower through the EA, pursuant to the requirements set forth in the IPPF and cleared by ADB;

(s) "IPPF" or "Indigenous Peoples Planning Framework" means the indigenous peoples planning framework for the Investment Project, including any update thereto, prepared and submitted by the Borrower through the EA and cleared by ADB;

(t) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);

(u) "MOHUA" means the Ministry of Housing and Urban Affairs of the Borrower, or any successor thereto;

(v) "NCRTC" means the National Capital Region Transport Corporation, or any successor thereto;

(w) "PFR" means the periodic financing request submitted or to be submitted by the Borrower, for the purposes of each loan under the Facility, and for this Loan Agreement means the periodic financing request dated 23 June 2020;

(x) "Presidential Sanction Order" means the Borrower's sanction order of its President for implementation of the Delhi-Ghaziabad-Meerut RRTS corridor dated 07 March 2019;

(y) "Procurement Plan" means the procurement plan for the Project as agreed between the Borrower, EA, and ADB and included in the FAM, as updated from time

to time in accordance with the Procurement Policy, Procurement Regulations, and other arrangements agreed with ADB;

(z) "Procurement Policy" means ADB's Procurement Policy - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);

(aa) "Procurement Regulations" means ADB's Procurement Regulations for ADB Borrowers - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);

(bb) "Project facilities" means the facilities to be rehabilitated or created under the Project;

(cc) "RF" or "Resettlement Framework" means the resettlement framework for the Investment Project, including any update thereto, prepared and submitted by the Borrower through the EA and cleared by ADB;

(dd) "RP" means the resettlement plan for the Investment Project, including any update thereto, prepared and submitted by the Borrower through the EA, pursuant to the requirements set forth in the RF and cleared by ADB;

(ee) "RTS" means Regional Rapid Transit System;

(ff) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower through the EA to ADB that describes progress with implementation of, and compliance with, the respective EMP, the RP and the IPP (as applicable), including any corrective and preventative actions;

(gg) "SEMU" means the Social and Environment Management Unit of NCRTC that is responsible for the overall management of social and environment safeguards under the Investment Project;

(hh) "SHE guidelines" means the Safety, Health and Environment guidelines of the Borrower under use by NCRTC;

(ii) "SPS" means ADB's Safeguard Policy Statement (2009);

(jj) "TOD" means transit oriented development;

(kk) "Technical Assistance" means ADB's transaction technical assistance on Preparing the Delhi-Meerut RTS Project;

(ll) "VCF" means value capture financing; and

(mm) "Works" means construction or civil works to be financed out of the proceeds of the Loan, including services such as drilling or mapping, and project related services that are provided as part of a single responsibility or turnkey contract, but excluding Consulting Services.

## ARTICLE II

### The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of five hundred million Dollar (\$500,000,000) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.06 of this Loan Agreement.

(b) The Loan has a principal repayment period of 17 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate for each Interest Period equal to the sum of:

(a) LIBOR;

(b) 0.60% as provided by Section 3.02 of the Loan Regulations less a credit of 0.10% as provided by Section 3.03 of the Loan Regulations; and

(c) a maturity premium of 0.20% as provided by Section 3.03 of the Loan Regulations.

Section 2.03. The Borrower shall pay a commitment charge of 0.15% per annum. Such charge shall accrue on the full amount of the Loan (less amounts withdrawn from time to time), commencing 60 days after the date of this Loan Agreement.

Section 2.04. Interest and other charges on the Loan shall be payable semiannually on 15 February and 15 August in each year.

Section 2.05. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the provisions of Schedule 2 to this Loan Agreement.

Section 2.06. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan to facilitate prudent debt management:

- (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, whether withdrawn and outstanding or unwithdrawn, to an Approved Currency;
- (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding from a Floating Rate to a Fixed Rate, or vice versa; and



- (iii) the setting of limits on the Floating 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 said Floating Rate.

(b) Any conversion requested pursuant to subsection (a) hereinabove that is accepted by ADB shall be considered a "Conversion", as defined in Section 2.01(f) of the Loan Regulations, and shall be effected in accordance with the provisions of Article V of the Loan Regulations and the Conversion Guidelines.

### **ARTICLE III**

#### **Use of Proceeds of the Loan**

Section 3.01. The Borrower shall make the proceeds of the Loan available to the EA and shall cause the EA to apply such proceeds to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall ensure, or cause the EA to ensure, that the items of expenditure to be financed out of the proceeds of the Loan are in accordance with the provisions of Schedule 4 to this Loan Agreement.

Section 3.04. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 29 February 2024 or such other date as may from time to time be agreed between the Borrower and ADB.

### **ARTICLE IV**

#### **Particular Covenants**

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed by the EA, all obligations set forth in this Loan Agreement and the Project Agreement.

Section 4.02. The Borrower shall enable ADB's representatives to inspect the Project, the Goods and Works, and any relevant records and documents.

Section 4.03. ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

Section 4.04. The Borrower shall take all actions which shall be necessary on its part to enable the EA to perform its obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations.

Section 4.05. (a) The Borrower shall exercise its rights under the Financing Arrangements in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan.

(b) No rights or obligations under the Financing Arrangements shall be assigned, amended, abrogated or waived without the prior notice to ADB.

## **ARTICLE V**

### **Effectiveness**

Section 5.01. The following are specified as additional conditions to the effectiveness of this Loan Agreement for the purposes of Section 10.01(f) of the Loan Regulations: the Grant Agreement shall have been duly executed and delivered on behalf of the Borrower and all conditions precedent to its effectiveness (other than the condition requiring the effectiveness of this Loan Agreement) shall have been fulfilled.

Section 5.02. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 10.04 of the Loan Regulations.

## **ARTICLE VI**

### **Miscellaneous**

Section 6.01. The Secretary, Additional Secretary, Joint Secretary, Director, or Deputy Secretary, in the Department of Economic Affairs of the Ministry of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 12.02 of the Loan Regulations.

Section 6.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:



For the Borrower

The Secretary to the Government of India  
 Ministry of Finance  
 Department of Economic Affairs  
 North Block  
 New Delhi – 110001  
 India

Facsimile Number:

91-11-23094075

For ADB

Asian Development Bank  
 6 ADB Avenue  
 Mandaluyong City  
 1550 Metro Manila  
 Philippines

Facsimile Numbers:

(632) 636-2444

(632) 636-2340

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

INDIA

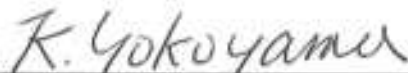
By



Sameer Kumar Khare  
 Additional Secretary  
 (Fund Bank & ADB)

ASIAN DEVELOPMENT BANK

By



Kenichi Yokoyama  
 Country Director

## SCHEDULE 1

### Description of the Project

1. The objective of the Investment Project is to improve the efficiency, safety, social inclusiveness and environmental sustainability of transport in the Delhi–Meerut corridor.
2. The Project as included in greater detail in the PFR, shall comprise a time slice of the following:

**Output 1: Delhi–Meerut RRTS corridor commissioned.** This will develop the Delhi–Meerut RRTS corridor. It will include Works, railway track, station buildings, multimodal hubs, maintenance depots, and traction and power supply.

**Output 2: Institutional capacity of the NCRTC strengthened.** This will include following (a) develop an institutional strategy including an organizational, financial, and technology road map; (b) develop training programs in project and contract management, financial management, procurement and safeguards; (c) adopt a gender-friendly workplace policy; and (d) support the NCRTC for developing a TOD action plan and VCF instruments for enhancing financial sustainability; and (e) strengthen capacity of the NCRTC to undertake PPP initiatives.

**Output 3: Mobility and economic opportunities of women and differently abled improved.** This will include trainings and provision of (a) safe mobility for EWCD; (b) increased awareness on safe mobility, self-defense and improved employability skills for selected female students along RRTS corridor; and (c) provision of gender-, socially-inclusive and environmentally sustainable public toilets around RRTS stations.

3. The Project is expected to be completed by 30 August 2023.

## SCHEDULE 2

### 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 shall 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 ADB by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

Sequence	Date Payment Due	Installment Share (Expressed as a % based on 10% annuity)
1	15 February 2029	1.175545
2	15 August 2029	1.234322
3	15 February 2030	1.296038
4	15 August 2030	1.360840
5	15 February 2031	1.428882
6	15 August 2031	1.500326
7	15 February 2032	1.575343
8	15 August 2032	1.654110
9	15 February 2033	1.736815
10	15 August 2033	1.823656
11	15 February 2034	1.914839
12	15 August 2034	2.010581
13	15 February 2035	2.111110
14	15 August 2035	2.216665
15	15 February 2036	2.327499
16	15 August 2036	2.443874
17	15 February 2037	2.566067
18	15 August 2037	2.694371
19	15 February 2038	2.829089
20	15 August 2038	2.970544
21	15 February 2039	3.119071
22	15 August 2039	3.275024
23	15 February 2040	3.438776
24	15 August 2040	3.610714
25	15 February 2041	3.791250
26	15 August 2041	3.980813
27	15 February 2042	4.179853
28	15 August 2042	4.388846
29	15 February 2043	4.608288
30	15 August 2043	4.838703
31	15 February 2044	5.080638
32	15 August 2044	5.334670

Schedule 2

Sequence	Date Payment Due	Installment Share (Expressed as a % based on 10% annuity)
33	15 February 2045	5.601403
34	15 August 2045	5.881435
	Total	100.000000

2. If the proceeds of the Loan shall not 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 as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made 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 ADB by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. Withdrawals made within two 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.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by ADB by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by ADB under the Currency Hedge Transaction relating to said Conversion; or (ii) if ADB so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be 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.

### SCHEDULE 3

#### Allocation and Withdrawal of Loan Proceeds

##### General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category of the Table).

##### Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be allocated to items of expenditure, and disbursed based on the withdrawal percentage for each item of expenditure set forth in the Table.

##### Reallocation

3. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, in consultation and by notice to the Borrower and the EA, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, in consultation with and by notice to the Borrower and the EA reallocate such excess amount to any other Category.

##### Disbursement Procedures

4. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook and detailed arrangements agreed between the Borrower and ADB.

##### Retroactive Financing

5. Withdrawals from the Loan Account may be made to finance eligible expenditures incurred under the Project before the Effective Date, but not earlier than 12 months before the date of this Loan Agreement in connection with items to be retroactively financed, subject to a maximum amount equivalent to 20% of the Loan amount.

TABLE

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS			
Number	Item	Total Amount Allocated for ADB Financing (\$) Category	Basis for Withdrawal from the Loan Account
1	Project Cost	500,000,000	100% of total expenditure claimed*
	Total	500,000,000	

\*Exclusive of taxes and duties within the territory of the Borrower



## SCHEDULE 4

### Execution of Project

#### Implementation Arrangements

1. The Borrower, and the EA shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the FFA and the FAM. Any subsequent change to the FFA and/or the FAM shall become effective only after approval of such change by the Borrower, the EA and ADB. In the event of any discrepancy between the FFA, FAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

2. (a) The Borrower shall ensure or cause the EA to ensure, towards smooth implementation of the Project, that grievances if any from stakeholders, relating to Project implementation or use of funds under the Project are addressed effectively and efficiently.

(b) The Borrower shall ensure or cause the EA to ensure compliance with all the requirements and obligations in their part as included in this Loan Agreement and the Project Agreement to meet the objectives of the Project in a timely and efficient manner.

#### Counterpart Support; Funds

3. (a) The Borrower shall ensure or cause MOHUA to ensure to make available the loan proceeds under the Project to the EA under appropriate arrangements acceptable to ADB, and ensure:

- (i) sufficient counterpart funds from its budget for each fiscal year, in a timely manner, for the efficient implementation of the Projects; and
- (ii) adequate funds towards operations and maintenance of Project facilities, through budgetary allocations or other means, to be provided to the EA, during and after components' completion under the Project.

(b) Notwithstanding the generality of the above and without limitation, the Borrower shall ensure or cause the EA to ensure that the Investment Project shall at all times be fully funded including from its resources as required in the event that any cofinancing envisaged under the Investment Project does not materialize.

4. Notwithstanding the generality of the above paragraph, consistent with India's Presidential Sanction Order for the Delhi-Ghaziabad-Meerut RRTS corridor dated 07 March 2019, the Borrower shall ensure or cause the EA to ensure that MOHUA, state governments of Uttar Pradesh, National Capital Territory, as applicable shall

- (a) provide counterpart funds in their respective proportions in accordance with, all on a timely basis for efficient implementation of the Project. The Borrower shall ensure that MOHUA, and the cited state governments shall be responsible for meeting the financial responsibilities and obligations of the NCRTC for the Investment Project including operations and management and debt servicing liabilities of NCRTC as required;

Schedule 4

- (b) allow commercial utilization of land falling in the Project area on mutually agreed terms and provide all necessary support for providing NCRTC with the requisite commercial development rights for augmentation of non-fare box revenue of the Investment Project;
- (c) ensure facilitation of coordinated planning and implementation of the Investment Project including through setting up a Unified Metropolitan Transport Authority (UMTA); and a dedicated urban transport fund (UTF) at the state level and city/metropolitan level to also create pool of resources for replacement of assets, providing operational subsidies, if any, required; and
- (d) prepare and adopt enabling policy frameworks to allow NCRTC to enhance non-fare box revenues.

Procurement

5. The Borrower shall ensure, or cause the EA to ensure, that:

- (a) the procurement of Goods, Works and Services is carried out in accordance with the Procurement Policy and the Procurement Regulations;
- (b) Goods, Works and Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. The Borrower through the EA may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in updates to the Procurement Plan; and
- (c) (i) all Goods, Works procured and Services obtained (including all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party; and (ii) all contracts for the procurement of Goods, Works and Services contain appropriate representations, warranties and, if appropriate, indemnities from the contractor, supplier, consultant or service provider with respect to the matters referred to in this subparagraph.

6. The Borrower shall ensure, or shall cause the EA to, announce the Project and business opportunities (i.e., invitation of potential bids) associated with the Project on its website. The website shall disclose the following information in relation to Goods, Works and Services procured for the Project: (a) the list of participating bidders; (b) the name of the selected bidder; (c) the amount of the contracts awarded; and (d) the services procured.

7. Towards minimizing operational risks, the Borrower shall ensure or cause the EA to ensure that the shadow operator, engaged under the ADB's transaction Technical Assistance, will provide operational expertise during the design and construction phases of the Project. The shadow operator will review plans and designs to support decision making in ensuring efficiency and cost effectiveness, as well as ensure that the designs include long term requirements of operations and maintenance.

Schedule 4

8. The Borrower will ensure or cause the EA to ensure that the station designs will incorporate EWCD-inclusive features to provide universal accessibility.

9. The Borrower shall ensure or cause the EA to ensure that a general consultant is engaged by NCRTC using counterpart funds to support it in undertaking overall Investment Project management. The general consultant shall ensure timely arrangement and delivery of the Investment Project and the individual projects by providing advice to the EA; and facilitating inter-agency and/or stakeholder coordination as well as reporting to ADB. The general consultant and/or engineer(s) shall also be the construction supervision consultant, who will act as the engineer for the construction contracts under the Investment Project.

Condition for award of contracts

10. The Borrower shall ensure, or cause the EA to ensure, that no Works contract is awarded which involves environmental impacts until the EA has:

- (a) prepared, submitted and obtained final approval of the EIA from ADB and the relevant forest and environment clearances from statutory authorities of the Borrower and the relevant State as applicable; and
- (b) incorporated the relevant provisions from the EMP into the related Works contract.

11. The Borrower shall ensure, or cause the EA to ensure, that no Works contract is awarded which involves involuntary resettlement impacts until the EA has prepared and submitted to ADB the RP based on the related RRTS detailed design and obtained ADB's clearance of the RP.

12. The Borrower shall ensure, or cause the EA to ensure, that no Works contract is awarded which involves impacts if any on indigenous peoples until the EA has prepared and submitted to ADB the final IPP (as applicable) and obtained ADB's clearance of such IPP.

Condition for Issuing Bids

13. (a) The Borrower shall ensure or cause the EA to ensure that the draft EIA is submitted to ADB for review prior to bidding, and the EMP is included in the bidding documents.

(b) The Borrower shall ensure or cause the EA to ensure that both the EMP and Borrower's SHE guidelines is included in the bidding documents for each contract package before starting the bidding process and also included in the final contract agreement with the contractor.

14. The Borrower shall ensure or cause the EA to ensure that all documents forming the basis for screening, selection and processing of all components under the Project are made available to ADB upon request and are kept available for such purposes for a minimum of five years from the date of the related completion report of the Facility.

Component Selection under Output 1

15. The Borrower shall ensure or cause the EA to ensure that all financing requested under the Project complies with the selection criteria set out in Schedule 4 to the FFA, satisfactory due diligence, and preparation of relevant safeguard and fiduciary frameworks, plans and other documents.

SafeguardsEnvironment

16. The Borrower shall ensure, or cause the EA to ensure, that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower and the related State relating to environment, health and safety; (b) the Environmental Safeguards; (c) The EARF; and (d) all measures, and requirements set forth in the EIA and EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Involuntary Resettlement

17. The Borrower shall ensure, or cause the EA to ensure, that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the Borrower and the related State relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the RP, and any corrective or preventative actions set forth in the Safeguards Monitoring Report.

18. Without limiting the application of the Involuntary Resettlement Safeguards, the RF, or the relevant RP, the Borrower shall ensure, or cause the EA to ensure, that no physical or economic displacement takes place in connection with the Project until:

- (a) compensation and other entitlements have been provided to affected people in accordance with the RP; and
- (b) a comprehensive income and livelihood restoration program has been established in accordance with the RP.

Indigenous Peoples

19. The Borrower shall ensure, or cause the EA to ensure, that the preparation, design, construction, implementation and operation of the Project and all Project facilities comply with (a) all applicable laws and regulations of the Borrower and the related State relating to indigenous peoples; (b) the Indigenous Peoples Safeguards; (c) the IPPF; and (d) all measures and requirements set forth in the IPP (as applicable), and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

#### Human and Financial Resources to Implement Safeguards Requirements

20. The Borrower shall ensure or cause the EA to ensure that all necessary budgetary and human resources to fully implement each of the EMP, RP and IPP (as applicable), are made available on a timely basis.

#### Safeguards – Related Provisions in Bidding Documents and Works Contracts

21. The Borrower shall ensure, or cause the EA to ensure, that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures and requirements relevant to the contractor set forth in the EIA, the EMP, the RP and IPP (as applicable), and any corrective or preventative actions set forth in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the EA with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the EIA, the EMP, the RP and the IPP (as applicable);
- (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and
- (e) fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

#### Safeguards Monitoring and Reporting

22. The Borrower shall ensure or cause the EA to ensure the following:

- (a) submit semi-annual Safeguards Monitoring Reports to ADB no later than 3 months after the end of the respective reporting period to which each relates, and disclose relevant information from such reports to affected persons promptly upon submission;
- (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the EIA, the EMP, the RP and the IPP (as applicable), promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan;
- (c) throughout the term of the Project, engage qualified and experienced external experts or qualified non-governmental organization(s), under a selection process and terms of reference acceptable to ADB, to verify information produced through the Project monitoring process, and facilitate the carrying out of any verification activities by such external experts; and



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- (d) report any breach of compliance with the measures and requirements set forth in the EMP, the RP or the IPP (as applicable) promptly after becoming aware of the breach.

Prohibited List of Investments

23. The Borrower shall ensure, or cause the EA to ensure, that no proceeds of the Loan under the Project are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Labor Standards, Health and Safety

24. The Borrower shall ensure or cause the EA to ensure that Works contracts under the Project follow all applicable labor laws of the Borrower and the related states, and the SHE Manual and Plan, and that these further include provisions to the effect that contractors: (i) carry out HIV/AIDS awareness programs for labor and disseminate information at worksites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; and (ii) follow and implement all statutory provisions on labor (including not employing or using children as labor, equal pay for equal work), health, safety, welfare, sanitation, and working conditions. Such contracts will also include clauses for termination in case of any breach of the stated provisions by the contractors.

Communications and Participation

25. The Borrower shall ensure or cause the EA to ensure that the Project is undertaken in conformity with the stakeholder communication strategy as agreed between ADB, the Borrower, and the EA and referred in the FAM.

Gender and Development

26. The Borrower shall ensure or cause the EA to ensure that (a) the GESI AP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GESI AP; (c) adequate resources are allocated for implementation of the GESI AP; and (d) progress on implementation of the GESI AP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

Governance and Anticorruption

27. The Borrower shall ensure and cause the EA to comply with ADB's Anticorruption Policy (1998, as amended to date) and (a) shall ensure that the anticorruption provisions acceptable to ADB, the Borrower, and the EA are included in all bidding documents and contracts financed by ADB in connection with the Project, including provisions specifying the right of ADB to review and examine the records and accounts of the EA and all contractors, suppliers, consultants, and other service providers as they relate to the Project, and as included in the FAM; (b) shall allow and assist ADB's representatives to carry out random spot checks on the work in progress and utilization of funds for the Project; (c) acknowledge that



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ADB reserves the right to investigate directly or through its agents any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (d) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation, and as included in the FAM.

Operations and Maintenance (O&M)

28. The Borrower shall ensure or cause the EA to ensure to establish and maintain an asset management system for the facilities developed under the Project for the effective O&M during and after completion of the Investment Project.

29. The Borrower shall or shall cause the MoHUA, to ensure that appropriate budgetary and human resource allocations are made for the continued O&M of the Investment Project facilities, such as bridges, viaducts, tunnel, buildings, the depot and stations, once they have been commissioned and become operational under the Investment Project both during and after completion of the Facility.

30. Notwithstanding the foregoing, the Borrower shall or shall ensure through the MoHUA, that O&M for Investment Project facilities is provided by MoHUA until such time as MoHUA and the NCRTC or other relevant authorities make appropriate arrangements for (i) the ownership transfer of such Investment Project facilities, and (ii) continued O&M by the relevant authorities.

31. The Borrower shall ensure or cause the EA to ensure that (a) NCRTC or the agency appointed by NCRTC operates and maintains the facilities developed under the Facility in a timely and appropriate manner; and (b) funds required for the operations and maintenance of the facilities financed under the Facility are allocated annually and released in a timely manner.

Facilities Maintenance

32. The Borrower through MOHUA shall ensure timely and adequate funds for maintenance of the facilities created under the Project.

Coordination; Co-Financing

33. The Borrower shall keep ADB informed of discussions with other multilateral, bilateral and national aid agencies, particularly involvement of AIIB and JFPR, that may have implications for the implementation of the Investment Project. The Borrower shall provide ADB with an opportunity to comment on any resulting policy reform and/or investment proposals and shall take into account ADB's views before finalizing and implementing any such proposals.

34. The Borrower shall ensure or cause the EA to ensure that all relevant central government and state government approvals, permissions and financial support if any required, are in place including in particular from the state agencies as they may be applicable towards timely implementation of the components under the Investment Project.

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35. The Borrower shall ensure or cause the EA to ensure that all funds under the co-financing arrangements for the Investment Project are implemented on a timely basis in accordance with underlying legal agreements to ensure efficient and timely implementation of the projects under the Facility.

Technical Assistance

36. The Borrower shall ensure or cause the EA to ensure that the technical assistance provided under the Investment Project and related output to be developed from such assistance is completed on a timely basis in consultation with the ADB including from the JFPR Grant and the Technical Assistance.

Communications and Participation

37. The Borrower shall ensure or cause the EA to ensure that the Project is undertaken in conformity with the stakeholder communication strategy as agreed between ADB, the Borrower, and the EA and referred in the FAM.

Institutional Reforms

38. The Borrower shall ensure or cause the EA to ensure that NCRTC adopts and implements following in a time bound manner

- (a) the FMAP in a timely basis as per the timelines included in the FAM;
- (b) the Gender-Friendly Workplace Policy to be developed and adopted by June 2021;
- (c) the Accounting Policies and Procedures Manual (to be prepared and adopted by December 2020);
- (d) set up the dedicated SEMU with adequate and qualified staff to implement and monitor the safeguard and social requirements, including the SHE manuals for the projects under the Facility all as detailed in the FAM; and
- (e) establish a dedicated interagency cooperation unit with adequate focal point and staff to receive and coordinate interagency cooperation including the multilateral donors and bilateral donors that are or will become involved in the development of forthcoming corridors under the three priority corridors based on the Functional Plan adopted by NCRTC for the RRTS in the National Capital Region.

39. The Borrower shall ensure or cause the EA to ensure that the NCRTC staff avail of and undergo the requisite training on ADB policies and procedures including on safeguards, accounts, and financial management.

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40. The Borrower shall ensure or cause the MOHUA to actively pursue consistent with the National TOD Policy 2017, the TOD Policy for Delhi, 2019, the Mixed Use and TOD Bylaws for Uttar Pradesh, 2015, and the Metro Rail Policy, 2017 (all including as amended from time to time) towards ensuring the required rates of return and cost recovery for metros and the RRTS, multimodal integration and last mile connectivity, and tap all options of central assistance for metro rail projects, including: (i) public-private partnership, (ii) grant by the central government, corporate debt bond issuances and (iii) equity-sharing in NCRTC.

Public-Private Partnership Initiatives

41. The Borrower shall ensure or cause the EA to ensure that NCRTC

- (a) shall actively coordinate with ADB on the various public-private partnership initiatives that will be explored for assistance under the Investment Project for greater private sector participation that is also in line with India's Metro Rail Policy, 2017. These include the areas of (i) performance-based contracts for rolling stock; (ii) operations contract; (iii) automated fare collection; and (iv) provision of logistics services in using Delhi-Meerut RRTS; and
- (b) develops and approves, by December 2020, a road map or an action plan for procuring private sector participation in accordance with the Metro Rail Policy, 2017, including but not limited to undertaking Operation & Management of the RRTS.

Transit Oriented Development and Value Capture Financing Initiatives

42. The Borrower shall ensure or cause the EA to ensure that NCRTC

- (a) establishes a dedicated unit to explore VCF and TOD initiatives of NCRTC; and
- (b) ensures that TOD and VCF initiatives road map is developed and adopted by the NCRTC by June 2021 to be implemented during the implementation of the Investment Project and after its completion.

Financial Covenants

43. The Borrower shall ensure or cause the EA to ensure that NCRTC shall at all times achieve a current ratio of at least 1.00. The term "current ratio" shall mean the ratio of current assets, including cash, to current liabilities.

44. The Borrower shall ensure or cause the EA to ensure that NCRTC shall maintain a corporate debt to equity ratio of not more than 60:40 for the financial year ending 31 March 2020 and thereafter. For the purpose of this paragraph, the term "equity" means the sum of the total unimpaired paid-up capital, retained earnings, reserves of NCRTC not allocated to cover specific liabilities and subordinate debt by sponsors of NCRTC. The term "debt" means any outstanding indebtedness of NCRTC, but excluding any amount due for payment within 1 year of the date as of which this ratio is computed, and subordinate debt by sponsors of NCRTC.

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45. The Borrower shall ensure or cause the EA to ensure that the Investment Project is financially sustainable for the Investment Project period and thereafter based on the financial sustainability analysis of NCRTC's projected revenues, debt and Operation & Maintenance expenditures.

46. The Borrower shall ensure or cause the EA to ensure that NCRTC provides ADB with all details of the new revenue streams, which may enhance the Investment Project's financial sustainability.

Beneficiaries: Awareness and Sensitization

47. The Borrower shall ensure or cause the EA to ensure that the beneficiary commuters on the RRTS to be developed under the Investment Project are

- (a) sensitized to the use and benefits of the RRTS towards long term sustainability of the facilities developed; the EA shall undertake stakeholder participation and awareness seminars and workshops to advocate the benefits of the RRTS; and
- (b) educated on the multimodal integration that will be provided through elevators, walkways, escalators and underpasses, depending on the location, to ensure that commuters get seamless transit options to metro lines, bus terminals, or other transport modes.

Co-financing and Grant Funds

48. The Borrower shall ensure or cause the EA to ensure that all activities to be undertaken and compliances of requirements under the AIIB co-financing and the JFPR Grant are also undertaken and completed on schedule to ensure overall efficiency in the implementation of the Investment Project.