
LOAN NUMBER 4036 - IND

LOAN AGREEMENT
(Ordinary Operations)
(Bengaluru Metro Rail Project)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 19 August 2021

IND 53326-001

**LOAN AGREEMENT
(Ordinary Operations)**

LOAN AGREEMENT dated 19 August 2021 between INDIA acting by its President ("Borrower") and ASIAN DEVELOPMENT BANK (ADB).

WHEREAS

(A) The Borrower has applied to ADB for a loan for the purposes of the Project described in Schedule 1 to this Loan Agreement;

(B) the Project will be carried out by the Borrower's Ministry of Housing and Urban Affairs ("MOHUA") acting through the Bengaluru Metro Rail Corporation Limited ("BMRCL") (the Project Executing Agency or "EA"), and for this purpose the Borrower 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; and

(C) 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 on the one part and MOHUA and BMRCL on the other part.

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) "BMRCL" means the Bengaluru Metro Rail Corporation Limited, or any successor thereto;

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

(c) "EIA" means each of the phase specific environment impact assessment for the Project, including any update thereto, prepared and submitted by the Borrower through the EA, pursuant to the requirements of SPS, and cleared by ADB;

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

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

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

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

(h) "FMAP" means the Financial Management Action Plan as included in the PAM;

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

(j) "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;

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

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

(m) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);

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

(o) "MOU" means the Memorandum of Understanding for phases 2A and 2B among the MOHUA, the State and the BMRCL to be signed, as a condition for effectiveness of this Loan, to enable the Project implementation in accordance with the provisions of the stated MOU by all parties as provided in this Loan Agreement;

(p) "MMI" means Multimodal Integration;

(q) "O&M" means operations and maintenance;

(r) "PAM" means the Project Administration Manual for the Project dated October 2020 and agreed between the Borrower, ADB, and the EA, as updated from time to time;

(s) "Procurement Plan" means the procurement plan for the Project as agreed between the Borrower, EA, and ADB and included in the PAM, as updated from time to time in accordance with the Procurement Policy, Procurement Regulations, and other arrangements agreed with ADB;

(t) "Procurement Policy" means ADB's Procurement Policy - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);

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

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

(w) "RP" means the each of the resettlement plans for the Project, including any update thereto, prepared and to be prepared, and submitted by the Borrower through the EA, pursuant to the SPS, and cleared by ADB;

(x) "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, and the related RP, including any corrective and preventative actions;

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

(z) "SHE Manual and Plan" means the Safety, Health and Environment Manual and Plan under use by BMRCL;

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

(bb) "State" means the State of Karnataka;

(cc) "TOD" means transit oriented development;

(dd) "Technical Assistance" means ADB's technical assistance for Support for Integrated Urban Development along Mass Rapid Transit Corridors in Bengaluru City, in an amount of \$2,000,000, financed on a grant basis by the ADB's Technical Assistance Special Fund;

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

(ff) "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 20 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 0.10% 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 01 June and 01 December 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 30 June 2027 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 is specified as additional condition to the effectiveness of this Loan Agreement for the purposes of Section 10.01(f) of the Loan Regulations: the MOU is signed.

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


 Rajat Kumar Misra
 Additional Secretary (MBC)
 Department of Economic Affairs

ASIAN DEVELOPMENT BANK

By


 Takeo Konishi
 Country Director

SCHEDULE 1**Description of the Project**

1. The objective of the Project is to increase efficiency, safety, gender-and social-inclusiveness or urban rail mobility in Bengaluru.
2. The Project shall comprise the following output:

New metro lines completed. This comprises construction of new metro lines, phases 2A and 2B, with a total length of 56.00 km and 30 stations; multimodal facilities developed at metro stations, including car, taxi and motor pools, bus bays, pedestrian bridges, to enable smooth intermodal connectivity and provide better last mile connectivity.
3. The Project is expected to be completed by 31 December 2026.

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 %)
1	1 June 2026	2.500000
2	1 December 2026	2.500000
3	1 June 2027	2.500000
4	1 December 2027	2.500000
5	1 June 2028	2.500000
6	1 December 2028	2.500000
7	1 June 2029	2.500000
8	1 December 2029	2.500000
9	1 June 2030	2.500000
10	1 December 2030	2.500000
11	1 June 2031	2.500000
12	1 December 2031	2.500000
13	1 June 2032	2.500000
14	1 December 2032	2.500000
15	1 June 2033	2.500000
16	1 December 2033	2.500000
17	1 June 2034	2.500000
18	1 December 2034	2.500000
19	1 June 2035	2.500000
20	1 December 2035	2.500000
21	1 June 2036	2.500000
22	1 December 2036	2.500000
23	1 June 2037	2.500000
24	1 December 2037	2.500000
25	1 June 2038	2.500000
26	1 December 2038	2.500000
27	1 June 2039	2.500000
28	1 December 2039	2.500000
29	1 June 2040	2.500000
30	1 December 2040	2.500000
31	1 June 2041	2.500000

Schedule 2

Sequence	Date Payment Due	Installment Share (Expressed as a %)
32	1 December 2041	2.500000
33	1 June 2042	2.500000
34	1 December 2042	2.500000
35	1 June 2043	2.500000
36	1 December 2043	2.500000
37	1 June 2044	2.500000
38	1 December 2044	2.500000
39	1 June 2045	2.500000
40	1 December 2045	2.500000
	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.

Schedule 2

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	Works	469,100,000	100% of total expenditure claimed*
2	Unallocated	30,900,000	
	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 PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower, the EA and ADB. In the event of any discrepancy between the PAM 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 MOHUA and BMRCL to ensure compliance as EA, as well as individually as the context may require, with all the requirements and obligations on their respective part as included in this Loan Agreement and the Project Agreement to meet the objectives of the Project in a timely and efficient manner.

(c) The Borrower shall ensure or cause MOHUA to ensure any obligations of the State to be fulfilled in accordance with the MOU, as included in this Loan Agreement.

Counterpart Support; Funds

3. The Borrower will ensure or cause the MOHUA to ensure that:

- (a) the Loan proceeds under the Project are made available to BMRCL under appropriate arrangements acceptable to ADB; and
- (b) sufficient counterpart funds from the budgets of MOHUA and the State as applicable, for each fiscal year are provided in a timely manner towards efficient implementation of the Project and O&M of Project facilities, during and after Project completion.

4. Notwithstanding the generality of the above paragraph, the Borrower will ensure or cause that MOHUA, the State, or BMRCL, 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; shall be responsible for meeting the financial responsibilities and obligations of the BMRCL for the Project including O&M and debt servicing liabilities of BMRCL;
- (b) allow commercial utilization of land falling in the Project area on mutually agreed terms and provide all necessary support for providing BMRCL with the requisite

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commercial development rights for augmentation of non-fare box revenue of the Project;

- (c) ensure facilitation of coordinated planning and implementation of the 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 BMRCL to enhance non-fare box revenues.

Coordination; Co-Financing

5. The Borrower shall cause MOHUA and BMRCL to keep ADB informed of discussions with other multilateral, bilateral and national aid agencies, if any, that may have implications for the implementation of the 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.

6. The Borrower shall ensure or cause the EA to ensure that BMRCL obtains all relevant central and State level approvals, permissions and financial support if any required, including in particular from the State agencies as they may be applicable towards timely implementation of the Project.

7. The Borrower shall ensure or cause the MOHUA and BMRCL to ensure that all funds under the co-financing arrangements for the Project (if any) are facilitated on a timely basis in accordance with underlying legal agreements to ensure efficient and timely implementation of the Project.

Procurement

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

- (a) the procurement of Goods and Works is carried out by BMRCL in accordance with the Procurement Policy and the Procurement Regulations;
- (b) Goods and Works shall be procured based on the detailed arrangements set forth in the Procurement Plan by BMRCL, 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 and Works procured (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

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(ii) all contracts for the procurement of Goods and Works 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.

9. The Borrower shall ensure, or shall cause the EA to ensure that BMRCL announces 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 and Works 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.

10. The Borrower shall ensure or cause the EA to ensure that the Project facilities shall incorporate EWCD-inclusive features by BMRCL to provide universal accessibility.

Condition for award of contracts

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

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

12. The Borrower shall ensure, or cause the EA to ensure, that no Works contract is awarded by BMRCL which involves involuntary resettlement impacts until BMRCL has prepared and submitted to ADB as EA, the relevant final RP based on the detailed designs and obtained ADB's clearance of the relevant RP or its update thereof.

Condition for Issuing Bids

13. (a) The Borrower shall ensure or cause the EA to ensure that the EMP is included by BMRCL in the bidding documents.

(b) The Borrower shall ensure or cause the EA to ensure that both the EMP and Borrower's SHE Manual and Plan is included by BMRCL 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 by BMRCL upon request and are kept available for such purposes for a minimum of 5 years from the date of the completion report of the Project.

SafeguardsEnvironment

15. 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 by BMRCL comply with (a) all applicable laws and regulations of the Borrower and the State relating to environment, health and safety; (b) the Environmental Safeguards; (c) EIAs and EMPs; and (d) all measures, and requirements set forth in the stated EIAs and EMPs, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Land Acquisition and Involuntary Resettlement

16. 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 by BMRCL 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 State relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the relevant RP; and (d) all measures and requirements set forth in the relevant RP or its update, and any corrective or preventative actions set forth in the Safeguards Monitoring Report.

17. Without limiting the application of the Involuntary Resettlement Safeguards, or the relevant RP, the Borrower shall ensure, or cause the EA to ensure, that no physical or economic displacement takes place by BMRCL in connection with the Project until: compensation and other entitlements have been provided to affected people in accordance with the RP.

Indigenous Peoples

18. 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 by BMRCL comply with (a) all applicable laws and regulations of the Borrower and the State relating to indigenous peoples; (b) the Indigenous Peoples Safeguards, including any corrective or preventative actions set forth in a Safeguards Monitoring Report.

Human and Financial Resources to Implement Safeguards Requirements

19. The Borrower shall ensure or cause the EA to ensure that all necessary budgetary and human resources, to fully implement each of the EMP, relevant RP, are made available by BMRCL, on a timely basis.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

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

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- (a) comply with the measures and requirements relevant to the contractor set forth in the EIAs, the EMPs, the relevant RP, 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 BMRCL 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 EIAs, the EMPs, and the relevant RP;
- (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

21. The Borrower shall ensure or cause the EA to ensure the following by BMRCL:

- (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(s), the EMP(s), and the RP(s), 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
- (d) report any breach of compliance with the measures and requirements set forth in the EMPs, and the related RP, promptly after becoming aware of the breach.

Prohibited List of Investments

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

Schedule 4Labor Standards, Health and Safety

23. 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 State, and the SHE Manual and Plan, by BMRCL, 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

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

Gender and Development

25. The Borrower shall ensure or cause the EA to ensure that (a) the GESI AP is implemented by BMRCL 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

26. 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 by BMRCL 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, BMRCL, and all contractors, suppliers, consultants, and other service providers as they relate to the Project, and as included in the PAM; (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 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 PAM.

Operations and Maintenance (O&M)

27. The Borrower shall ensure or cause the EA to ensure that appropriate financial and human resource allocations are made by BMRCL for the continued O&M of the Project facilities, such as bridges, viaducts, buildings, the depot and stations, once they have been commissioned and become operational both during and after completion of the Project.

Schedule 4

28. The Borrower shall ensure, or cause the EA to ensure that (i) BMRCL or the agency appointed by BMRCL operates and maintains the facilities developed under the Project in a timely and appropriate manner; and (ii) funds required for the operations and maintenance of the facilities financed under the Project are allocated annually and released in a timely manner by BMRCL.

Technical Assistance

29. The Borrower shall ensure or cause through the EA to ensure that BMRCL effectively utilizes the Technical Assistance and develops the related output from such assistance on a timely basis in consultation with the ADB. In this regard the BMRCL shall, *inter alia*, in consultation with the State, facilitate preparation of the TOD Vision Plan for the Project, the TOD-based urban development plans, and the MMI plans, by no later than 31 December 2023.

Institutional Reforms

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

- (a) the FMAP (including the Accounting Policies and Procedures Manual) as included in the PAM as per the timelines provided in the PAM;
- (b) the Gender-Friendly Workplace Policy for BMRCL to be developed and adopted by June 2021;
- (c) sets up a dedicated unit with adequate and qualified staff to implement and monitor the safeguard and social requirements, including the SHE Manual and Plan for the Project all as detailed in the PAM; and
- (d) establishes 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 of the metro rail that may be undertaken by BMRCL in the State.

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

32. The Borrower shall ensure or cause the MOHUA to actively pursue that the provisions of the National Urban Transport Policy 2006, National TOD Policy 2017 and the Metro Rail Policy 2017 (all including and as amended from time to time), as applicable for the Project, are adopted and implemented by BMRCL and the State.

Public-Private Partnership Initiatives

33. The Borrower shall ensure or cause the EA to ensure that BMRCL
- (a) actively coordinates with ADB on the various public-private partnership initiatives that may be explored for assistance under the Project for greater private sector participation, in line with India's Metro Rail Policy, 2017; and
 - (b) continues to actively pursue private sector participation for the forthcoming O&M of the metro rail, stations and systems operations.

TOD and MMI Initiatives

34. The Borrower shall ensure or cause MOHUA to ensure that
- (a) a unit to work on TOD, MMI and VCF initiatives and for coordination with other agencies of the State is set up in BMRCL/Directorate of Urban Land Transport of the State (DULT);
 - (b) the Project Corridor TOD Vision Plan and implementation framework is developed by DULT and BMRCL, and is adopted by the State by 30 June 2024 to be implemented thereafter by the concerned agencies; and
 - (c) the strategy for operational integration of multimodal public transport systems is prepared by BMLTA and adopted by the State by 30 June 2024.

Financial Covenants

35. The Borrower will ensure or cause the MOHUA to require short-term and long-term financial sustainability of BMRCL, through specific inclusions in the MOU, as follows:
- (a) periodic fare revision for the metro are undertaken on a timely basis;
 - (b) cash losses (including but not limited to losses on account of operations and maintenance costs and interest on borrowings), if any, based on the annual Audited Financial Statements of the BMRCL, during the operational phase are financed by the State in a timely manner, if the same cannot be provided by the BMRCL;
 - (c) BMRCL shall at all times meet its obligations towards debt servicing to all lenders. In case of any shortfall in debt servicing obligations, BMRCL shall take immediate steps to seek support of State to meet its obligations on timely basis without any default, through related government orders;
 - (d) BMRCL shall maintain a corporate debt to capital ratio of not more than 60:40 for the financial year ending 31 March 2021 and thereafter. For the purpose of this paragraph, the term "capital" means the sum of the total paid-up capital and subordinate debt by the sponsors of BMRCL and the term "corporate debt" means any outstanding indebtedness of BMRCL, but excluding any amount due for payment within 1 year of the date as of which this ratio is computed and subordinate debt by the sponsors of BMRCL;

Schedule 4

- (e) at all times, the ratio of senior debt to subordinate debt of BMRCL shall be maintained at 2.25 or lower till full repayment of BMRCL loans. For the purpose of this clause, the term "subordinate debt" means outstanding interest free debt from the sponsors of BMRCL at the State and Central level, and "senior debt" means any outstanding debt, other than subordinate debt, of BMRCL; and
- (f) overall financial sustainability of BMRCL shall be ensured at all times, including maintaining of the financial compliances stipulated under this Loan Agreement and the Financing Plan of BMRCL as envisaged in the Metro Rail Policy 2017. Any deviations or changes proposed by BMRCL to such stipulations and/or the Financing Plan due to the undertaking of future phases of Bengaluru Metro, shall be consulted with ADB, State, and MOHUA in advance.

36. The Borrower shall or shall cause MOHUA to ensure that the Project is fully operational and financially sustainable for the Project period and thereafter based on the financial sustainability analysis of BMRCL's projected revenues, debt and O&M expenditures.

37. The Borrower shall or shall cause the EA to ensure that BMRCL provides ADB with all details of the new revenue streams on a timely basis, which may enhance the Project's financial sustainability.

Beneficiary Awareness and Sensitization

38. The Borrower will ensure or cause the EA to ensure that BMRCL takes effective steps so that the beneficiary commuters including EWCD on the metro rail to be developed under the Project are

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

39. The Borrower shall ensure or cause the MOHUA to ensure that the Project is implemented by BMRCL in time and that the MOU is signed at the earliest so as to enable the Project implementation, in accordance with the provisions of the MOU by all parties.