

【Press Release】

Exchange of Notes concerning Yen Loans to India for the Mumbai Metro Line 3 Project (II) and 3 Others

1. On March 29, Mr. Kenji Hiramatsu, Ambassador Extraordinary and Plenipotentiary of Japan to India, and H.E. Mr. Sujan Romeshchandra Chinoy, Ambassador Extraordinary and Plenipotentiary of India to Japan, signed and exchanged notes concerning the provision of four yen loan projects including the Mumbai Metro Line 3 Project (II) (total loan provision of up to JPY 149.218 billion, approximately INR 8,587.66 crore) in the presence of Mr. Taro Kono, Minister for Foreign Affairs of Japan, and H.E. Mrs. Sushma Swaraj, Minister for External Affairs of India, in Tokyo following the Japan-India Foreign Ministers' Strategic Dialogue.

2. Overview of the projects

(1) Loan to build a subway system in Mumbai, India's largest metropolitan area

This project is to provide a loan to the Government of India for the construction of a subway system in Mumbai, the state capital of Maharashtra State. It is expected that approximately 1.29 million people will use the subway per day and the system would reduce the traveling time between SEEPZ station and Cuffe Parade Station (approximately 33.7 kilometers) from the current two hours and ten minutes by automobile, to one hour and 20 minutes. Thus, this project will contribute to developing the regional economy and improving the urban environment by easing traffic congestion and reducing traffic pollution.

(Yen loan project “Mumbai Metro Line 3 Project (II)” (loan up to JPY 100 billion, approximately INR 5,727.48 crore))

(2) Loan to develop a seawater desalination plant in Chennai to improve its serious water shortage

This project is to provide a loan to the Government of India for the construction and improvement of a seawater desalination plant as well as water supply and distribution facilities in Chennai metropolitan area of Tamil Nadu State. This project is expected to improve the area's safe and stable water services, including increasing the number of Chennai City citizens who are connected to the water supply to approximately 8.2 million people in 2027 (two years after the project is completed), an increase of approximately 1.1 million people compared to the approximately 7.1 million citizens who were connected

to the water supply in fiscal year 2016. Thus, this project will contribute to improving local residents' living environments and enhancing the investment environment.

(Yen loan project "Project for Construction of Chennai Seawater Desalination Plant (I)" (loan up to JPY 30 billion, approximately INR 1,718.24 crore))

(3) Loan for tree-planting activities in Himachal Pradesh to maintain its diverse ecosystem

This project is to provide a loan to the Government of India for (i) sustainable management of forestry ecosystem and preservation of biodiversity, (ii) support to enhance livelihood of local residents, and (iii) strengthening of the structure and capacity of relevant bodies in Himachal Pradesh State. This project is expected to manage and strengthen the ecosystem of forestry in the state, through the participation of approximately 23,000 local residents and personnel from the executing agency, and forestation on approximately 11,000 hectares by 2030 (two years after the project is completed). Thus, this project will contribute to environment conservation and sustainable socioeconomic development in the State.

(Yen loan project "Project for Improvement of Himachal Pradesh Forest Ecosystems Management and livelihoods" (loan up to JPY 11.136 billion, approximately INR 637.81 crore))

(4) Loan to install intelligent transport systems in Chennai to alleviate its serious and chronic traffic congestion

This project is to provide a loan to the Government of India for installing intelligent transport systems (see note) in Chennai metropolitan area of Tamil Nadu State. This project is expected to result in the construction of smooth transport systems to respond to the rapidly increasing volume of traffic, by reducing traveling time during peak hours in sections with marked congestion by approximately 10% by 2024 (two years after the project is completed). Thus, this project will contribute to easing traffic congestion and developing the regional economy of the area.

(Yen loan project "Project for Installation of Chennai Metropolitan Area Intelligent Transport Systems" (loan up to JPY 8.082 billion, approximately INR 504.13 crore))

(Note) Intelligent transport systems: Systems that utilize information-communication technology (ICT) to realize smooth and safe road traffic.

3. Loan terms

(1) For Projects (1), (2) and (4) in 2. above

- i. Interest rate: 1.5% per annum (0.01% per annum for consulting services)
- ii. Repayment period: 30 years (including a 10-year grace period)
- iii. Procurement terms: General untied

(2) For Project (3) in 2. above

- i. Interest rate: 1.3% per annum (0.01% per annum for consulting services)
- ii. Repayment period: 30 years (including a 10-year grace period)
- iii. Procurement terms: General untied

* The foregoing is a provisional translation. The date indicated above denotes the date of issue of the original press release in Japanese.



Amb. Hiramatsu (center right) and Amb. H.E. Chinoy (center left) signed and exchanged notes concerning yen loans in the presence of Foreign Minister Kono (right) and Foreign Minister H.E. Swaraj (left)