

【Press Release】

Exchange of Notes concerning Yen Loan for the Bengaluru Water Supply and Sewerage Project (Phase 3) (I)

1. On January 24th, 2018, Mr. Kenji Hiramatsu, Ambassador of Japan to India, and Mr. S. Selvakumar, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India, signed and exchanged notes in New Delhi concerning the provision of Japanese ODA Loan (provision of up to JPY 45 billion, approximately INR 2587.05 crore), for the Bengaluru Water Supply and Sewerage Project (Phase 3) (I).

2. Project Overview

This project finances the Government of India for building water supply and sewerage facilities derived from Kaveri River, in Bengaluru metropolitan area, the State of Karnataka. This project will contribute to the stable provision of water supply and sewerage services, corresponding to the sharply increasing water demand. The supply of water is estimated to increase from around 1.3 million cubic meters per day to 1.7 million cubic meters per day in 2026, two years after the completion of this project. Now, Bengaluru metropolitan area, including Bengaluru city where more than 190 Japanese companies are operating their business as of October 2017, is rapidly developing as the hub of software industry in India, and also known as “Silicon Valley of India”. This project is thus expected to contribute to acceleration of investment in Bengaluru metropolitan area from overseas companies, including Japanese companies, through improving the general living and hygiene environment in the area.

3. Terms and Conditions

(1) Rate of Interest :

1.3% per annum with regard to the sewerage portion of the Project, and 1.5% per annum with regard to the other portions of the Project (0.01% per annum for consulting services)

(2) Repayment period :

Twenty (20) years after the grace period of ten (10) years

(3) Procurement Conditions : General untied

