

【Press Release】

Exchange of Notes concerning Yen Loans to India for the Project for the Construction of Mumbai-Ahmedabad High Speed Rail (II) and 6 Others

1. On October 29, Mr. Kenji Hiramatsu, Ambassador Extraordinary and Plenipotentiary of Japan to India, and H.E. Mr. Sujan R. Chinoy, Ambassador Extraordinary and Plenipotentiary of India to Japan, exchanged notes concerning the provision of yen loan related to seven projects including the Project for the Construction of Mumbai-Ahmedabad High Speed Rail (II) (total loan provision of up to 316.458 billion yen, approximately INR 20,674.201 crore) in the presence of Mr. Shinzo Abe, Prime Minister of Japan and H.E. Mr. Narendra Modi, Prime Minister of India, in Tokyo following the Japan-India Summit Meeting.

2. Overview of the projects

(1) Loan to construct a high-speed rail with the introduction of the Shinkansen system of Japan, a flagship project representing the “new era in Japan-India relations”

This project is to provide a loan to the Government of India for the construction of a high speed rail with the introduction of Japan’s Shinkansen system between Mumbai in Maharashtra and Ahmedabad in Gujarat. It is expected that the new high speed train will be able to travel that distance in two hours, compared with the seven hours required by the current express train service for the distance of 500 kilometers between Mumbai and Ahmedabad. Through the realization of a high frequency, mass passenger transportation system, this project will contribute to the efficiency of the transportation network and promote economic development in the broad target areas.

(Yen loan project “Project for the Construction of Mumbai-Ahmedabad High Speed Rail (II)” (loan up to 150 billion yen, approximately INR 9,799.5 crore))

(2) Loan to renovate a hydroelectric power station to contribute to the promotion of renewable energy in Meghalaya

This project is to provide a loan to the Government of India for carrying out renovation of two units of the Umiam-Umtru stage-III hydroelectric power station in the river basin of the Umiam River and Umtru River. Though currently due to turbine damage and other issues, there are unplanned power stoppages of approximately 7,600 hours per year for the first unit, and approximately 4,000 hours per year for the second unit, it is expected to shorten the stoppages to approximately 90 hours per year for both in 2025 (two years after the project is completed). Thus, this project will contribute to industrial development and improvement of living standards in Meghalaya.

(Yen loan project “Project for Renovation and Modernization of Umiam-Umtru Stage-III Hydroelectric Power Station” (loan up to 5.497 billion yen, approximately INR 359.119 crore))

(3) Loan to extend and expand the Delhi Metro network, a representative example of Japan’s economic cooperation in India

This project is to provide a loan to the Government of India for the construction of approximately 116 kilometers metro system in the capital city of Delhi. It is expected that the daily passengers of the entire Delhi Metro will increase from approximately 1.9 million people at the groundbreaking of phase 3 of the project (2012) to approximately 2.7 million. Thus, this project will contribute to easing traffic congestion and reducing traffic pollution.

(Yen loan project “Delhi Mass Rapid Transport System Project (Phase 3) (III)” loan up to 53.675 billion yen, approximately INR 3,506.588 crore))

(4) Loan to construct a bridge in India’s North Eastern Region to contribute to enhancing connectivity

This project is to provide a loan to the Government of India for the construction of a bridge connecting Dhubri in Assam and Phulbari in Meghalaya (total length of approximately 20 kilometers). It is expected that approximately 2.95 million people will use the bridge annually and the traveling time will be reduce from approximately 8 hours 13 minutes of the alternative route to approximately 23 minutes in 2030 (two years after the project is completed). Thus, this project will contribute to promotion of economic development in the region.

(Yen loan project “North East Road Network Connectivity Improvement Project (Phase 3) (I)” (loan up to 25.483 billion yen, approximately INR 1,664.804 crore))

(5) Loan to construct a pumped storage power station to contribute to the promotion of renewable energy in West Bengal

This project is to provide a loan to the Government of India for the construction of a pumped storage power station in Purulia of West Bengal. It is expected that the annual power generation amount could rise to 1,803 gigawatt hours in 2029 (two years after the project is completed), which is equivalent to the annual electricity usage amount of approximately 2.8 million households. Thus, this project will contribute to industrial development and improvement of living standards in West Bengal.

(Yen loan project “Project for the Construction of Turga Pumped Storage (I)” (loan up to 29.442 billion yen, approximately INR 1,923.446 crore))

(6) Loan to construct a peripheral ring road around Chennai metropolitan area, which has serious and chronic traffic congestion

This project is to provide a loan to the Government of India for the construction of the section of an access road to Ennore Port (organized into the main line and a branch line) in the northern part of Chennai in Tamil Nadu as part of the peripheral ring road (approximately 133 kilometers). It is expected that the traveling time required for the improved section of the main line (approximately 31.4 kilometers) will be reduced from the current approximately 50 minutes to approximately 22 minutes, and the time required for the branch line (approximately 23.7 kilometers) will be reduced from current approximately 36 minutes to approximately 22 minutes. Thus, this project will contribute to economic development of the metropolitan area.

(Yen loan project “Project for the Construction of Chennai Peripheral Ring Road (Phase

1)” (loan up to 40.074 billion yen, approximately INR 2,618.034 crore))

(7) Loan for tree-planting activities in Tripura, where there is advancing forest area reduction and deterioration of the residents' living environment

This project is to provide a loan to the Government of India for sustainable forest management, water and soil conservation activities and livelihood enhancement activities in Tripura. It is expected that the quality of the area forests will increase thorough the participation of approximately 23,000 local residents and personnel from executing agency, and forestation on approximately 42,000 hectares. Thus, this project will contribute to forest ecosystem improvement and livelihood enhancement for the local residents in Tripura.

(Yen loan project “Project for Sustainable Catchment Forest Management in Tripura” (loan up to 12.287 billion yen, approximately INR 802.71 crore))

3. Loan terms

(1) For projects (1) in 2. above

- i. Interest rate: 0.1% per annum
- ii. Repayment period: 50 years (including a 15-year grace period)
- iii. Procurement terms: Tied

(2) For projects (2), (3), (4), and (5) 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

(3) For projects (6) in 2. above

- i. Interest rate: 1.45% 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

(4) For projects (7) in 2. above

- i. Interest rate: 1.25% 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 maximum amounts in INR are for reference.