

Public Disclosure Authorized

CONFORMED COPY

LOAN NUMBER 7941-IN

Project Agreement

(Mumbai Urban Transport Project-2A)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

and

MUMBAI RAILWAY VIKAS CORPORATION LIMITED

Dated July 23, 2010

PROJECT AGREEMENT

AGREEMENT dated July 23, 2010, entered into between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and MUMBAI RAILWAY VIKAS CORPORATION LIMITED (“Project Implementing Entity”) (“Project Agreement”) in connection with the Loan Agreement of same date between India (“Borrower”) and the Bank (“Loan Agreement”). The Bank and the Project Implementing Entity hereby agree as follows:

ARTICLE I – GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in the Project Agreement have the meanings ascribed to them in the Loan Agreement or the General Conditions.

ARTICLE II – PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall:
 - (a) carry out the relevant activities under the Project in accordance with the provisions of Article V of the General Conditions; and
 - (b) provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Bank and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III – REPRESENTATIVE; ADDRESSES

- 3.01. The Project Implementing Entity’s Representative is the Managing Director.
- 3.02. The Bank’s address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423(MCI) or 64145(MCI)	1-202-477-6391

3.03. The Project Implementing Entity's address is:

Mumbai Railway Vikas Corporation Limited
Churchgate Station Building (2nd Floor)
Churchgate, Mumbai 400 020
India

AGREED at Mumbai, India, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Jerome F. Chevallier
Authorized Representative

MUMBAI RAILWAY VIKAS
CORPORATION LIMITED

By /s/ P. C. Sehgal
Authorized Representative

SCHEDULE

Execution of the Project

Section I. Institutional Arrangements and Project Undertakings

Throughout Project implementation, the Project Implementing Entity shall:

- A. in its own right and on behalf of the MOR and Maharashtra, have the overall responsibility for day-to-day Project implementation, including in the areas of procurement, contract management, financial management, Project oversight, monitoring and reporting, and, in cooperation with Maharashtra (through MMRDA), in the areas of social management;
- B. ensure that the Project is carried out in accordance with the provisions of the Implementation Manual, SMF, and EMPs, and in accordance with the provisions of the Anti-Corruption Guidelines, and shall ensure that the Implementation Manual, SMF, and EMPs are not materially revised, amended, waived, or abrogated without the prior no objection of the Bank; if any provision of this Agreement is inconsistent with a provision of the Implementation Manual, SMF, or EMPs, the provision of this Agreement shall prevail;
- C. exercise its rights under the MOR-MRVC MOU, Maharashtra-MRVC SFA, and MOUs in such manner as to protect the interests of the Borrower, Bank, and MRVC, and to accomplish the purposes of the Project, and except as the Bank may otherwise agree, shall not assign, abrogate, or waive any of the terms or provisions of the MOR-MRVC MOU, Maharashtra-MRVC SFA, and MOUs; and
- D. prepare and submit to the Bank for review and comment: (1) not later than forty-five (45) days after the beginning of each Financial Year, beginning with Financial Year 2011/12, annual updated copies of its business and operating forecast for the Mumbai suburban railway system for that Financial Year; and (2) not later than December 31 of each calendar year, beginning December 31, 2010, details of the separate costs of the Mumbai suburban railway system.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports

- 1. The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08(b) of the General Conditions and on the basis of indicators agreed with the Bank. Each such report shall cover the period of one (1) Financial Year

quarter, and shall be furnished to the Borrower and the Bank not later than forty-five (45) days after the end of the period covered by such report.

2. Notwithstanding the requirement in Section II.A.1 of this Schedule, within thirty (30) months of Loan Agreement effectiveness, the Project Implementing Entity shall carry out a comprehensive mid-term Project review, and shall by February 28, 2013, prepare and furnish to the Bank a mid-term Project progress report, satisfactory to the Bank.
3. The Project Implementing Entity shall provide to the Borrower not later than five (5) months after the Closing Date, for incorporation in the report referred to in Section 5.08(c) of the General Conditions, all such information as the Borrower or the Bank shall reasonably request for the purposes of that Section.

B. Financial Management, Financial Reports; Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements related to the Project in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, the Project Implementing Entity shall prepare and furnish to the Bank as part of the Project Report not later than forty-five (45) days after the end of each Financial Year quarter, interim un-audited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.
3. The Project Implementing Entity shall have the financial statements referred to above audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing principles and standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) Financial Year. The audited financial statements for each period shall be furnished to the Borrower and the Bank not later than six (6) months after the end of the period.

Section III. Procurement

All goods and consultants' services required under the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the provisions of Section III of Schedule 2 to the Loan Agreement.