

ANNEXURE - D

Memorandum of Understanding for Phase-2 of the Bangalore Metro Rail Project

**MEMORANDUM OF UNDERSTANDING
BETWEEN
GOVERNMENT OF INDIA, GOVERNMENT OF KARNATAKA
AND BANGALORE METRO RAIL CORPORATION LIMITED
(A Joint Venture of Government of India and Government of Karnataka)**

This Memorandum of Understanding (hereinafter referred to as MOU) is made at New Delhi/ Bangalore on ^{24th} day of ^{February} December, 2017

BETWEEN

1. **Government of India**, (hereinafter referred to as "GOI") through the Ministry of Urban Development represented herein by the Secretary, having Office at Nirman Bhawan, New Delhi, **of the First Part.**
2. **Government of Karnataka**, (hereinafter referred to as "GOK") represented herein by the Additional Chief Secretary, Urban Development Department, having Office at Vikasa Soudha, Bangalore, **of the Second Part and**
3. **Bangalore Metro Rail Corporation Limited**, (hereinafter referred to as "BMRL" or "the Company") a company formed under the Companies Act, 1956 on 12th September 2005 (originally incorporated on 21.09.1994 as BMRTL) and presently a Joint-Venture Company of Govt. of India and Govt. of Karnataka within the meaning of Section 2(45) of the Companies Act, 2013) represented herein by its Managing Director, having Registered Office at III Floor, BMTCL Complex, K.H. Road, Shanthinagar, Bangalore-560 027, **of the Third Part.**




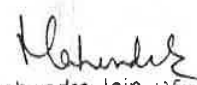
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Manager

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1.0 PREAMBLE

- 1.1 The Phase-1 of Bangalore Metro Rail Project was sanctioned by Government of Karnataka as well as by Government of India covering a stretch of 42 Kms. The Phase-1 of Bangalore Metro Rail Project is under execution and is likely to be completed by April 2017. In order to provide enhanced coverage of the Bangalore Metro Rail system and also to extend the Metro rail services to other important areas


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Secretary
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New Delhi


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Memorandum of Understanding for Phase-2 of the Bangalore Metro Rail Project

of Bangalore City, the Bangalore Metro Rail Project Phase-2 has been sanctioned by the Govt. of India vide its letter No.K-14011/4/2012-Metro (Vol.III) dated 21st February 2014. Prior to this, the Govt. of Karnataka had also given its approval for the Bangalore Metro Rail Project Phase-2 (hereinafter referred to as 'Project') vide its Order No.UDD 179 PRJ 2011 dated 21st February 2012. The Phase-2 covers a total distance of 72.1 Kms with 61 stations (49 elevated and 12 Underground) providing for four (4) extension lines to Bangalore Metro Rail Project Phase-1 and two (2) New Lines, with the following Corridors (**Table:1**):

TABLE: 1
Bangalore Metro Rail Project - Phase - 2

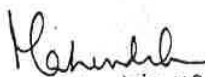
Name of the Line	Description	Length of the Line in Kms.
Baiyappanahalli to ITPL - Whitefield	Extension of existing Eastern Line	15.50
Mysore Road Terminal to Kengeri	Extension of existing Western Line	6.465
Hesaraghatta Cross to BIEC	Extension of existing Northern Line	3.77
Puttenahalli Cross to Anjanapura Township (up to NICE Road)	Extension of existing Southern Line	6.29
Gottigere to Nagawara	New Arterial Line with a 13.79 km Underground Line.	21.25
R.V. Road to Bommasandra Manager	New Line with Interchange Station at R.V. Road Station in the Southern Line of Phase-1	18.82
Total		72.095

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1.2 The total completion cost of the Project will be **Rs.26,405.14 Crore** (including escalation @ 5% per annum and Central Taxes and excluding State taxes and duties) with contribution of Government of India (GoI) in the form of Equity, Subordinate Debt and Senior Term Debt as per Financing Pattern contained in para 4 of the GoI Order No.K-14011/4/2012-Metro (Vol.III) dated 21st February, 2014, as follows (**Table:2**):



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Ministry of Urban Development
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TABLE: 2 Funding Pattern		
	Rs. Crore	Percentage
Government of Karnataka (GoK) Equity contribution	3,868.35	14.65
Government of India (GoI) Equity Contribution	3,868.35	14.65
Grant Contribution from GoK	1,689.90	6.40
Subordinate Debt from GoK	3,424.75	12.97
Subordinate Debt from GoI	1,412.65	5.35
Senior Term Debt	12,141.14	45.98
TOTAL PROJECT COST	26,405.14	100.00
Sharing Pattern:		
GoI share	5,281.00	20.00
GoK share	8,983.00	34.02
Senior Debt	12,141.14	45.98
Total	26,405.14	100.00

- 1.3 The Project will be implemented as a Central Sector Project through the Executing Agency, i.e. Bangalore Metro Rail Corporation Ltd. (BMRCL) which is a Special Purpose Vehicle (SPV) for the implementation of the project with Government of India and Government of Karnataka being the joint promoters with equal equity holding. The above sanction letter of GoI dated 21st February, 2014 is appended as **Annexure-'A'** and forms part and parcel of this MoU. Any further extensions or phases of Bangalore Metro Rail Project as approved by Government of India from time to time will also form part and parcel of this MoU. The MoU dated 24.12.2010 and dated 10.07.2013 between the Parties herein, concerning the Bangalore Metro Rail Project, shall also be read in conjunction with this MoU.

- 1.4 In this context, GoI, GoK and BMRCL deem it necessary and expedient to record their understandings, commitments, obligations, covenants, and their interfaces in the form of this Memorandum of Understanding (MoU).



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1.5 Now, it is hereby agreed between GoI, GoK and BMRCL as follows:-

2.0 INTERPRETATIONS


2.1 In this MoU:

- (a) the paragraph headings and numberings are for convenience only and shall be Ignored in the interpretation of this Agreement;
- (b) the singular includes the plural and vice versa;
- (c) reference to any agreement, enactment, ordinance or regulation includes any amendment, modification or replacement thereof or supplement thereto, in whole or in part;
- (d) reference to Article, Paragraphs, subparagraphs, Schedules and Appendices, are, unless the context otherwise requires, references to Articles, Paragraphs, subparagraphs, Schedule and Appendices, respectively, of this Agreement; and
- (e) the words include, including and among other things shall be deemed to be followed by "without limitation" or "but not limited to" whether or not they are followed by such phrases or words of like import.

3.0 TERM

3.1 This MoU shall be effective and continue to be valid till such time as the GoI holds equity in BMRCL and the debt from the GoI including the debt from any international financing agency whose repayment has been guaranteed by the GoI, is repaid in full.

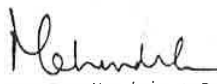
It is also understood, that this MoU can be further extended by mutual consent of GoK and GoI.


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4.0 OBJECT & SCOPE

4.1 The object of this MOU is to set out the broad principles of co-operation and modalities that will guide and govern the role of the Parties in the effective implementation of the said Project.




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5.0 DESIGN AND TECHNOLOGY

- 5.1 The design and technology of the system to be implemented will be in accordance with the Detailed Project Reports (DPR) prepared by Delhi Metro Rail Corporation Ltd (DMRC) in 2011 which has been approved by GoK and GoI, subject to such modifications as may be approved by the Board of BMRCL or GoI as per the delegation of powers.

6.0 INSTITUTIONAL ARRANGEMENT

- 6.1 The Project will be implemented by Joint Venture Company with GoI and GoK as partners. The executing Agency, i.e. BMRCL, which is a Company established under the Companies Act, will work as a Special Purpose Vehicle for implementation of the Project.

7.0 LEGISLATION

- 7.1 The Bangalore Metro Rail Project, (Phase-2), shall be governed by the provisions of the Metro Railways (Construction of Works) Act, 1978 and the Metro Railways (Operation and Maintenance) Act, 2002, as amended through Metro Railways (Amendment) Act, 2009 & Railway Act, 1989 or such legislation made from time to time as may be decided by Government of India.

8.0 PROJECT IMPLEMENTATION PERIOD

- 8.1 The Project commencement date shall be reckoned as 31st December, 2014 (commencement of work) and is scheduled to be completed in five (5) years or such extended period mutually agreed by GoI and GoK.

9.0 COST OF THE PROJECT

- 9.1 The break-up of the various components of the Total Project cost of **Rs.26,405.14 Crore** is as follows (**Table: 3**):



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TABLE: 3
ABSTRACT OF COST ESTIMATE BY MAJOR CATEGORIES FOR ALL SIX LINES OF PHASE-2 ALONG WITH LINE-WISE LENGTH AND NUMBER OF STATIONS

(Rupees in Crore)

Sl. No.	Major Components of Project Cost	Cost with PVC including central taxes & duties and excluding state taxes & duties						Total
		EW Line Extn. (Mysore Road to Kengerl)	NS Line Extn. (Puttenahalli Cross to Anjanapur Township)	NS Line Extn. (Hesara-ghatta Cross to BIEC)	EW Line Extn. (Balyappa nahalli to WhiteField)	EW New Line RV Road-Electronic City - Bommasandra	NS New Line Gottigere - IIMB - Nagavara	
		LENGTH OF THE LINE						
		6.465 km	6.29 km	3.77 km	15.50 km	18.82 km	21.25 km (13.79 km underground)	72.095 km
		NUMBER OF STATIONS						
		5	5	3	14	16	18 (12 underground)	61
1	Land and R&R	136.52	126.49	152.60	363.23	687.1	537.24	2003.18
2	Civil Engineering Works	516.59	532.4	312.48	1425.26	1724.95	4817.16	9328.84
3	Electrical Works	84.11	62.90	35.29	155.00	293.97	255.97	887.24
4	S & T Works	103.84	116.27	61.2	264.88	334.62	396.07	1276.88
5	Depots	40.00	60.00	30.00	80.00	238.00	288.00	736.00
6	Rolling Stock	361.00	285.00	199.50	950.00	627.00	690.00	3112.50
7	General charges including administration, contingency etc.	98.78	89.91	56.61	245.22	282.93	541.56	1315.01
	TOTAL	1340.84	1272.97	847.68	3483.59	4188.57	7526.00	18659.65
8	Taxes	207.00	193.00	117.00	532.00	590.00	1204.00	2843.00
9	PVC at 5% per annum	320.11	299.91	203.54	829.41	965.52	2284.00	4902.49
	TOTAL PROJECT COMPLETION COST	1867.95	1765.88	1168.22	4845.00	5744.09	11014.00	26405.14



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10.0 PROJECT FINANCING


- 10.1 The financing of the Project would be done through a mix of equity, interest-free subordinate debt and senior term debt/PTA [including borrowing from bilateral and multilateral international funding agencies] as detailed in Cl. 1.2 above.
- 10.2 GoI and GoK would contribute equally over the project period a sum of Rs.3,868.35 Crore each in the form of Equity aggregating to Rs.7736.70 Crores (Rupees Seven thousand seven hundred and thirty six crore and seventy lakhs only).
- 10.3 The subordinate debt from GoI and GoK will be Rs. 1412.65 Crores and Rs.3424.75 Crores respectively over the project period. In addition, GoK shall provide grant contribution of Rs. 1689.90 Crores towards the project.
- 10.4 GOK will exempt BMRCL from its State/Local taxes and duties/levies or reimburse the same and the same will not be included in the project cost.
- 10.5 There will be no waiver of taxes and duties by the GoI.

11.0 COST ESCALATION

- 11.1 It is agreed between the Parties that any cost escalation due to changes in the statutory Central duties / levies and exchange rate variation shall be shared equally between the project promoters i.e. GoI and GoK. Any other cost escalation including price escalation, change in scope or avoidable delay etc. within and beyond the approved time cycle as well as inclusion of essential items not reflected in Detail Project Report (DPR) shall be entirely borne by the GoK. The State / local taxes shall be entirely waived / reimbursed by GoK and will not be included in the project cost. The Operational losses are also to be borne by SPV (BMRCL) or GoK. As such no unlimited liability is mooted for GoI. GoI will also not share any cost towards procurement of additional rolling stock in the second and subsequent years of operation, as this would not be a part of the project cost.



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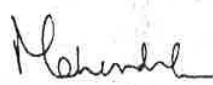
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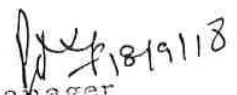
12.0 OBLIGATIONS OF GOK:

- 12.1 To bear the entire cost of land acquisition and Resettlement and Rehabilitation (including escalation) through its share of interest-free Subordinate debt. In case of escalations of these components, the subordinate debt component of GoK shall be accordingly increased. GoK would ensure that land acquisition does not become reason for delay in implementation of the project.
- 12.2 To grant and cause its Instrumentalities to accord all necessary approvals, consents, clearances, sanctions, etc., as are necessary for the smooth and timely implementation of the Project.
- 12.3 To dispose of, resist and resolve any obstacle or impediment created or placed by any person to thwart or challenge the implementation of the Project or any part, thereof.
- 12.4 To expeditiously acquire the land/properties identified in the alignment free from encroachments and encumbrances and handover possession of the same to the BMRCL, and also to ensure that the land acquisition does not become reason for delay in implementation of the project.
- 12.5 GoK covenants that it will not restrict the use of the Land in any way and that the BMRCL shall, at all times, have full freedom and discretion to develop and use the land, subject to zoning or rezoning of the land or any part thereof, in a manner consistent with its intended use in the Project.
- 12.6 To provide all such necessary assistance reasonably requested by the BMRCL with respect to clearances and preparation of the land for use including commercial exploitation thereof with a view to improve the financial sustainability of BMRCL.
- 12.7 To ensure that electric power is made available to the project on a 'no-profit-no-loss' basis.


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Memorandum of Understanding for Phase-2 of the Bangalore Metro Rail Project

- 12.8 To subscribe towards equity share capital of the BMRCL as approved by the GOI totaling Rs. 3868.35 Crore (Rupees Three thousand eight hundred and sixty eight crore and thirty five lakhs only) and release the equity capital before Senior term debt / PTA is drawn to the extent possible with the objective of minimizing the interest burden on the project.
- 12.9 To provide the Subordinate debt of Rs. 3424.75 Crores (Rupees Three thousand four hundred and twenty four Crores and Seventy five lakhs only) for utilisation of BMRCL before taking recourse to senior term debt to the extent possible for minimizing the interest burden of the project. In addition, GoK shall make a grant contribution of Rs.1689.90 Crore (Rupees One thousand six hundred and eighty nine Crore and Ninety lakhs only) towards the Project. In case the Grant funded by GoK from the Urban Infrastructure Fund through levy of dedicated taxes/levies/betterment tax etc to this project exceeds 1689.90 crore, the saving therefore will be utilised for bringing down the Subordinate Debt to GoI and GoK.
- 12.10 To share with GoI any cost escalation of the Project, as may be approved by the GoI.
- 12.11 To initiate or amend, any law, rule, order or notification necessary or desirable for the implementation of the Project.
- 12.12 To ensure price based measures to promote and facilitate metro ridership, as part of an integrated traffic ratio rationalization plan and Comprehensive Mobility Plan for Bangalore city with a view to ensuring that the projected ridership is realized.
- 12.13 To accord high priority for integration of various modes of transport which would act as feeder / evacuation systems to the Bangalore Metro for improving ridership in the influence zone including pedestrianisation, public bike sharing facility, feeder buses, adequate parking space at stations, improvement in city bus service, to introduce modern Intelligent Transport Systems (ITS) enable buses, roll out of Common Mobility Card and Integrated ticketing across all modes and all operators as well as setting up of National Public Transport helpline.



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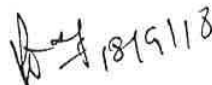
Memorandum of Understanding for Phase-2 of the Bangalore Metro Rail Project

- 12.14 To ensure that the metro rail project provides for first and last mile connectivity, accessibility and appropriate security arrangements.
- 12.15 To continue the existing High Power Committee (HPC) set up for Phase-1 of the Project under the Chairmanship of Chief Secretary to Govt. of Karnataka with the composition of other members like Secretaries of concerned departments of State Government, Head of Civic Bodies etc., to address and sort out all State level issues regarding implementation and to take expeditious decision on matters relating to land acquisition, shifting of Utilities and other structures in the project alignment, rehabilitation of project affected persons, multimodal integration and such other matters where the State Government has to facilitate quick action. The committee shall normally meet once in a month or more after, if required, to sort out all these issues.
- 12.16 To finance the Cash losses, if any, during the operational phase, if the same cannot be provided by BMRCL.
- 12.17 To make institutional arrangement for periodic fare revision for not only the proposed Metro, but also for other competing modes. A mutually agreed schedule for the periodic revision of fares, for the Metros as well as other modes of transport issued by GoK shall form part of this MOU.
- 12.18 To bear the cost of procurement of additional rolling stock required for the passenger traffic more than the DPR estimates, if the same cannot be provided by BMRCL.
- 12.19 To repay the Senior Term Debt / PTA (as and when it becomes due) on account of cash losses, in case BMRCL is not able to repay the same to GoI.
- 12.20 To designate one of the State Government nominees as the full time Managing Director of the Company with the prior consent of Government of India.




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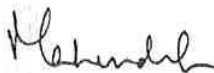

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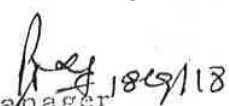
- 12.21 Not to transfer the MD of the company, the State Government nominee, without the prior consent of Ministry of Urban Development, GoI.
- 12.22 Not to give any new assignment to the SPV (BMRCL) unilaterally.
- 12.23 To place the State Government officers, if required, on deputation to BMRCL under the administrative control of the BMRCL's Board of Directors.
- 12.24 In case of BMRCL not being able to repay any loan contracted by it (as and when it becomes due) on account of cash losses, the responsibility for the same shall also be borne by GoK and not by GoI.
- 12.25 The GoK will ensure that Interest on Senior Term Debt for the Project, if raised from domestic sources by BMRCL, is pegged between 1.5% to 2% so that the debt service coverage ratio (DSCR) is more than 1. Interest payable beyond 2% (to maintain DSCR of more than 1) shall be shared by GoK from the dedicated Urban Transport Fund. This liability of GoK to reduce the interest burden will be limited to the funds available from the Urban Transport Fund for BMRCL. However, the overall liability of GoK to fund the repayment of loans (in case of cash losses) shall remain.
- 12.26 GoK would set up a dedicated Urban Transport Fund at State level & City/Metropolitan area level in consultation with MoUD, GoI, through levy of dedicated taxes/levies, betterment tax / impact fee, development charges and higher FAR in the influence zone of Metro Railway stations as envisaged in National Urban Transport Policy, 2006 to create pool of resources for part financing the Project, replacement of assets and providing operational subsidies, interest subsidy, if any, not only for this project but other Urban Transport projects as well. The amount realized from the increased land and property value capture from sale / rental proceeds would be credited to Dedicated Urban Transport Fund.




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- 12.27 The additional staff / other requirements required at GoI [(MoUD / Ministry of Railways (MoR)] or GoK level to handle extra work load on account of the Project, during construction, operation and maintenance phase, shall be provided by BMRCL and shall be chargeable to the Project. Such staff would be on contract basis so that no permanent liability is created on the Government of India or GoK.
- 12.28 The GoK and /or City Corporation would come up with parking policy wherein parking fee represents the true value of the land occupied, which is used to make public transport more attractive: banning of parking on arterial/ring roads: provision of multi-level parking centres in the city centres with park and ride facility etc. and advertisement policy for the city which taps advertisement revenue on public transport, intermediate public transport, public utilities and street furniture.
- 12.29 GoK would facilitate Property Development by BMRCL near Stations, Depots and metro alignments, to the extent possible. GoK would also undertake Transit Oriented Development for the Bangalore Metro Phase-2 Corridors and its influence zone, for planned development of the region as well as to increase the ridership and decrease the overall travel demand. Land Use densification around the stations with mixed land use also needs to be done to increase the ridership and decrease the overall travel demand.

13.0 OBLIGATIONS OF GOI

- 13.1 To subscribe towards equity share capital of the BMRCL totalling Rs.3868.35 Crores (Rupees Three thousand eight hundred and sixty eight Crores and Thirty five lakhs only) and release the equity capital to the extent possible before Senior Term Debt/ PTA is drawn with the objective of minimizing the interest burden on the project.
- 13.2 To provide the Subordinate debt of Rs. 1412.65 Crore (Rupees One thousand four hundred and twelve Crore and Sixty Five lakhs only) for utilisation by BMRCL before taking recourse to senior debt to the extent possible for minimizing the interest burden on the project.



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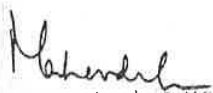
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- 13.3 GoI will facilitate assistance through International Funding Agencies like JICA, KfW, AFD available directly to BMRCL through gross budgetary resources in the form of Pass Through Assistance on back to back basis.
- 13.4 To share with GoK any cost escalation due to changes in the Statutory Central duties / levies and exchange rate variation in terms of Clause 11.1 above.
- 13.5 To approve the technical standards and specifications to be followed for the project.
- 13.6 To provide for safety certification by Commission of Railway Safety.
- 13.7 Not to give any assignment to the SPV (BMRCL) unilaterally.
- 13.8 To place the annual report of BMRCL before the Parliament.
- 13.9 To reply to Comptroller and Auditor General's (C&AG) audit observations.
- 13.10 To place the Government of India Officers, if required, on deputation to BMRCL under the administrative control of the BMRCL Board of Directors.
- 13.11 GoI would not finance cash losses and capital expenditure during the operational phase and its requirement would be financed by the SPV and /or the State Government from its own resources.

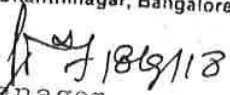
14.0 COVENANTS, OBLIGATIONS, ETC. OF BMRCL (SPV)

- 14.1 BMRCL which has been set up as joint venture of GoI and GoK is meant exclusively for implementation of the Project and no new assignment should be given to the Company by the Promoters unilaterally. BMRCL shall construct, develop, commission, operate and maintain the Project in accordance with the approved Project schedule and applicable laws. The phasing of expenditure during the project implementation and drawdown schedule, item wise and quarterly will be decided in consultation with GoI and GoK separately.




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Additional Chief Secretary to Govt.,
Urban Development Department

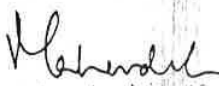

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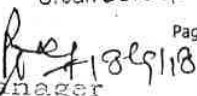
Memorandum of Understanding for Phase-2 of the Bangalore Metro Rail Project

- 14.2 The prescribed codes and specifications for various items for construction and operation as well as the safety standards set by the Appropriate Authorities will be strictly followed and complied with by BMRCL.
- 14.3 The Company shall open any section for public carriage of passengers only after the Safety has been certified by Commission of Railway Safety.
- 14.4 BMRCL shall engage Competent Operators/Drivers and other skilled operators possessing the prescribed qualifications and passing necessary tests.
- 14.5 BMRCL shall undertake to pay in case of accidents, as ordered by the concerned Claims Authority.
- 14.6 BMRCL shall not without the prior approval of the promoters change the Funding pattern.
- 14.7 BMRCL shall not undertake any new assignment and the Promoters shall not entrust any new assignment, unless the entrustment of new assignment is agreed to between the promoters mutually.
- 14.8 To engage, recruit or employ personnel, employees, staff, officers, servants, labour, workmen, contractors, local or otherwise, temporary or permanent, during the implementation of the Project, in its own name and account and shall alone bear and remain liable towards all or any payment of wages, salaries, perquisites, benefits etc., thereto.
- 14.9 To make statutory arrangements for periodic fare revision and a mutually agreed schedule for periodic revision of fares as well.
- 14.10 It is further agreed and understood that at no stage such personnel, employees, staff, officers, servants, labour, workmen, contractors, local or otherwise, temporary or permanent, recruited employed or, engaged in the development, construction, commissioning and operation of the project by BMRCL or otherwise in the project, other than those on deputation, shall be held or deemed to be personnel, employees, staff, officers, servants, labour, workmen, contractors of GOK or GOI.



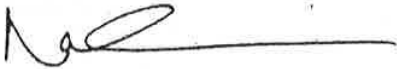

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- 14.11 BMRCL may from time to time frame its own rules, regulations, procedures, working arrangements, management, corporate governance to cover/govern all matters of administration and all other incidental and related matters not inconsistent with the provisions of the Companies Act, 2013 or this MoU.
- 14.12 BMRCL may implement the project and raise senior term debt from the market within the Financing pattern of the Phase-2 project as per Cl. 1.2 above with prior approval of GoI and GoK.
- 14.13 BMRCL shall make repayment of subordinate debt to GoI and GoK proportionately only after repayment of entire Senior Term Debt availed for the Project.
- 14.14 BMRCL undertakes and covenants that it shall open and maintain an Escrow Account with a Scheduled Bank within the meaning of Banking Regulation Act, 1949, as may be required by the Senior Term Debt Lenders subject to such terms and conditions, validity, enforceability and performance of respective obligations and duties and to execute such agreements as may be deemed necessary and that the said Escrow Account shall remain in full force and effect till all the obligations of Senior Term Debt Lenders have been satisfied. GoI shall have first charge on the Escrow Account.
- 14.15 The entire loan amount disbursed by International Funding Agencies as per their Loan Agreement shall be the liability of BMRCL for the purpose of repayment of such Loans through GoI. The repayment of loan of GoI by BMRCL shall be through an Escrow Account.
- 14.16 The debt servicing liability of BMRCL with regard to the Loans from International Funding Agencies shall be reckoned based on the repayment schedule received from such Funding Agencies in Rupee terms along with exchange rate fluctuation of loan currency.
- 14.17 BMRCL shall follow CVC guidelines and the provisions of Karnataka Transparency in Public Procurements Act, 1999, read with the Rules, as amended from time to time, for all tenders and contracts and the guidelines of the Department of Public Enterprises, in respect of its investments, to strengthen its Corporate Governance and shall be subject to audit by CAG and scrutiny by Parliament and State Legislature.



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- 14.18 Government of Karnataka and BMRCL will take note of the observations of the Ministry of Home Affairs (MHA), GoI, on security issues and ensure taking adequate necessary steps accordingly.
- 14.19 BMRCL shall be bound by such directions on question of policy as the Central Government (GoI) may give in writing from time to time.
- 14.20 BMRCL shall obtain all necessary and statutory clearances of Central and State Governments as applicable on the Project.
- 15.0 ORGANISATIONAL SET-UP**
- 15.1 The management of the company vests entirely with the Board of Directors (Board) consisting of ten (10) Directors, each promoter nominating five (5) Directors noting that it is neither a Central PSU nor a State PSU but a Board governed Company.
- 15.2 GoI shall be entitled to appoint five (5) Directors including Secretary, Ministry of Urban Development as ex-officio Chairman of the Board. GoK shall be entitled to appoint four (4) Directors and a Managing Director.
- 15.3 The full-time Managing Director with adequate administrative experience shall be nominee of GoK with prior consent of GoI and shall be appointed by the BMRCL Board. The Managing Director, whether on deputation or recruited by BMRCL shall be fully accountable to the Board.
- 15.4 The BoD shall proceed to have functional Directors, in addition to 10 nominee Directors, forthwith, as per guidelines issued by GoI from time to time.
- 15.5 Subject to the policy and principles approved by the Board, and subject to the powers delegated by the Board, the general management of the business of the Company (BMRCL) shall be in the hands of the Managing Director, who shall have the powers and authority on behalf of the Company (BMRCL) to take decisions and to enter into all contracts and to make all purchases and do all other things as are necessary or desirable.



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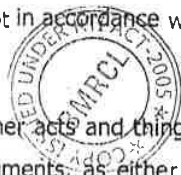
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16.0 GENERAL

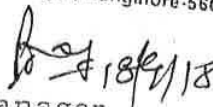
- 16.1 All additions, supplements, amendments or variations to this MoU shall be in writing and shall be jointly signed by the duly authorized representatives of the Parties.
- 16.2 Each Party shall hold in strict confidence all confidential information received by it from the other Party, whether notified as confidential or not (herein "Confidential Information"). The Party receiving such Confidential Information shall not publish or otherwise disclose or use the Confidential Information for its own purposes (otherwise than as may be required by it, its professional advisers, or potential lenders or investors to perform its obligations) and shall cause its directors, officers, employees, servants, agents and contractors, to be similarly bound by these covenants.
- 16.3 The execution, interpretation, construction and performance of this MoU shall be governed by and construed according to the Laws of India.
- 16.4 This MOU shall not constitute either Party as a partner, agent or legal representative of the other Party. Neither Party shall have any right or authority to assume, create or incur any liability or obligation of any kind, expressed or implied, against, in the name of or on behalf of the other Party except in accordance with this MoU or as may otherwise be agreed in writing by the Parties.
- 16.5 Each Party agrees to do such other and further acts and things, and to execute and deliver such additional instruments and documents, as either Party may reasonably request from time to time whether at or after the execution of this MoU, in furtherance of the express provisions and purposes of this MoU.
- 16.6 In case of any difference of opinion arising between GoI and GoK in the implementation of this MoU, the same will be resolved through mutual discussions or as per the Institutional mechanism defined for this project in the GoI sanction letter dated 21st February 2014.




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Memorandum of Understanding for Phase-2 of the Bangalore Metro Rail Project

- 16.7 MoUD, GoI will take necessary steps in regard to standardization and indigenization across all Metro systems.
- 16.8 MoUD, GoI will work out details with regard to a Central Agency for safety certification for all Metro systems.

IN WITNESS WHEREOF the Parties have executed this Memorandum of Understanding on the date mentioned first above, by their duly authorized representatives.



Signed for and on behalf of /
GoI

RAJIV GAUBA
(Authorised Signatory)
Secretary
M/o Urban Development
Government of India
RAJIV GAUBA
Secretary
Ministry of Urban Development
Nirman Bhawan, New Delhi

Signed for and on behalf of /
GoK

MAHENDRA JAIN
(Authorised Signatory)
Addl. Chief Secretary
Urban Development Department
Government of Karnataka
Mahendra Jain, IAS.
Additional Chief Secretary to Govt.,
Urban Development Department

Signed for and on behalf of
BMRC

PRADEEP SINGH KHAROLA
(Authorised Signatory)
Managing Director
BMRC

PRADEEP SINGH KHAROLA, IAS
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Witnesses:

1.

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2.

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