
LOAN NUMBER 3187-IND

PROGRAM AGREEMENT
(Punjab Development Finance Program)

between

ASIAN DEVELOPMENT BANK

and

STATE OF PUNJAB

DATED 28 NOVEMBER 2014

IND 45288

PROGRAM AGREEMENT

PROGRAM AGREEMENT dated 28 November 2014 between ASIAN DEVELOPMENT BANK (“ADB”) and the STATE OF PUNJAB acting by its Governor (“State”).

WHEREAS

(A) by a Loan Agreement of even date herewith between India acting by its President (“Borrower”) and ADB, ADB has agreed to make to the Borrower a loan of two hundred million Dollars (\$200,000,000) on the terms and conditions set forth in the Loan Agreement, but only on the condition that the proceeds of the loan be made available to the State and that the State agrees to undertake certain obligations towards ADB set forth herein; and

(B) the State, in consideration of ADB entering into the Loan Agreement with the Borrower, has agreed to undertake the obligations set forth herein;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Definitions

Section 1.01. Wherever used in this Program Agreement, unless the context otherwise requires, the several terms defined in the Loan Agreement and in the Loan Regulations (as so defined) have the respective meanings therein set forth.

ARTICLE II

Particular Covenants

Section 2.01. (a) The State shall carry out the Program with due diligence and efficiency, and in conformity with sound public management, administrative, financial, business, and development practices.

(b) In the carrying out of the Program, the State shall perform all obligations set forth in the Loan Agreement to the extent that they are applicable to the State, and all obligations set forth in the Program Agreement.

Section 2.02. The State shall make available, promptly as needed, the funds, facilities, services, and other resources as required, in addition to the proceeds of the Loan, for the carrying out of the Program.

Section 2.03. The State shall carry out the Program in accordance with plans, and programs formulated in accordance with public management best practices. The State shall furnish to ADB, promptly after their preparation, such plans, programs, techniques or methods, and any material modifications subsequently made therein, in such detail as ADB may reasonably request.

Section 2.04. The State shall maintain, or cause to be maintained by the Program Executing Agency, records and documents adequate to identify the Eligible Items financed out of the proceeds of the Loan and to indicate the progress of the Program.

Section 2.05. (a) ADB and the State shall cooperate fully to ensure that the purposes of the Loan will be accomplished.

(b) The State shall, with a copy to the Borrower, promptly inform ADB of any condition which interferes with, or threatens to interfere with, the progress of the Program, the performance of its obligations under this Program Agreement, or the accomplishment of the purposes of the Loan.

(c) ADB and the State shall, from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Program, the State and the Loan.

Section 2.06. (a) The State shall furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan and the expenditure of the proceeds thereof; (ii) the expenditures financed out of such proceeds; (iii) the Program; (iv) the administration, operations and financial position of the State; and (v) any other matters relating to the purposes of the Loan.

(b) Without limiting the generality of the foregoing, the State shall furnish to ADB quarterly reports on the execution of the Program and the State's budgetary position and its medium-term projections. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, a plan of implementation, progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following period.

(c) Promptly after closing date for withdrawal from the Loan Account, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purpose, the State shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution of the Program, including its cost, the performance by the State of its obligations under this Program Agreement and the accomplishment of the purposes of the Loan, including a comprehensive description of the impact of the reforms under the Program.

Section 2.07. The State shall enable ADB's representatives to examine relevant records and documents pertaining to the use of the Loan proceeds.

Section 2.08. (a) The State shall, promptly as required, take all action within its powers that are necessary to carry out the Program.

(b) The State shall at all times conduct its operations in accordance with sound public management, financial, business, development and operational practices, and under the supervision of competent and experienced management and personnel.

Section 2.09. Except as ADB may otherwise agree, the State shall cause the proceeds of the Loan to be applied to the financing of expenditures for the Program in accordance with the provisions of the Loan Agreement and this Program Agreement.

Section 2.10. The State shall promptly notify ADB of any proposal that may impact the Program or alter its status under the Constitution of India.

ARTICLE III

Effective Date; Termination

Section 3.01. This Program Agreement shall come into force and effect on the date on which the Loan Agreement comes into force and effect. ADB shall promptly notify the State of such date.

Section 3.02. All the provisions of this Program Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the Loan Agreements.

ARTICLE IV

Miscellaneous

Section 4.01. Any notice or request required or permitted to be given or made under this Program Agreement and any agreement between the parties contemplated by this Program Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand, mail, or facsimile to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

+63 2 636-2444

+63 2 636-2337.

For the State of Punjab

The Secretary
Department of Finance
8/8 Punjab Civil Secretariat
Chandigarh 160001
Punjab

Facsimile Number:

+91 (172) 2747656.

Section 4.02. (a) Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Program Agreement by or on behalf of the State may be taken or executed by its Secretary, Finance Department or by such other person or persons as he or she shall so designate in writing notified to ADB.

(b) The State shall furnish to ADB sufficient evidence of the authority of each person who will act under subsection (a) hereinabove, together with the authenticated specimen signature of each such person.

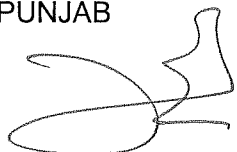
Section 4.03. No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under this Program Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default; nor shall the action of such party in respect of any default, or any acquiescence in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Program Agreement to be signed in their respective names as of the day and year first above written, and to be delivered at the principal office of ADB.

ASIAN DEVELOPMENT BANK

By 
M. TERESA KHO
Country Director

STATE OF PUNJAB

By 
JASPAL SINGH
Secretary (Expenditure)