

CONFORMED COPY

LOAN NUMBER 3094 IN
LOAN NUMBER 3095 IN

(Electronics Industry Development Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated July 7, 1989

LOAN NUMBER 3094 IN
LOAN NUMBER 3095 IN

GUARANTEE AGREEMENT

AGREEMENT, dated July 7, 1989, between INDIA, acting by its President (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS: (A) by the Loan Agreement of even date herewith between the Bank and the Industrial Credit and Investment Corporation of India Limited (ICICI), the Bank has agreed to extend to the Borrower for the purposes of Part A of the Project a loan in various currencies equivalent to \$101,000,000, on the terms and conditions set forth in that Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of ICICI in respect of such loan as provided in this Agreement;

(B) by the Loan Agreement of even date herewith between the Bank and the Industrial Development Bank of India (IDBI), the Bank has agreed to extend to the Borrower for the purposes of Part B of the Project a loan in various currencies equivalent to

\$101,000,000, on the terms and conditions set forth in that Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of IDBI in respect of such loan as provided in this Agreement; and

WHEREAS the Guarantor, in consideration of the Bank's entering into said Loan Agreements with ICICI and IDBI, has agreed so to guarantee such obligations of ICICI and IDBI;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements" of the Bank, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement, provided however that:

(a) the term "Borrower" shall be read to refer to ICICI or IDBI, as the case may be;

(b) the term "Loan Agreement" shall be read to refer to either Loan Agreement described in the Preamble to this Agreement, as the case may be;

(c) the term "Loan" shall be read to refer to the Loan made under either of the Loan Agreements, as the case may be; and

(d) the term "Loan Account" shall be read to refer to the Loan Account to which either of the Loans is credited, as the case may be.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions, in the Preamble to this Agreement and in Section 1.02 of either of the Loan Agreements have the respective meanings therein set forth.

ARTICLE II

Guarantee

Section 2.01. The Guarantor declares its commitment to the objectives of the Project as set forth in Schedule 2 to the respective Loan Agreements, and, to this end, without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and interest and other charges on, each Loan, and the premium, if any, on the prepayment of each Loan, and the punctual performance of all the other obligations of each of ICICI and IDBI, all as set forth in their respective Loan Agreements.

ARTICLE III

Representatives of the Guarantor; Addresses

Section 3.01. Any Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary or Under Secretary in the Ministry of Finance, Department of Economic Affairs of the Guarantor is designated as representative of the Guarantor for the purposes of Section 11.03 of the General Conditions.

Section 3.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Guarantor:

The Secretary to the Government of India
Ministry of Finance
Department of Economic Affairs
New Delhi, India

Cable address:

ECOFAIRS
New Delhi

Telex:

953-313546

For the Bank:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

440098 (ITT)
248423 (RCA) or
64145 (WUI)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

INDIA

By /s/ Anil Kumar

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Bilsel Alisbah

Acting Regional Vice President
Asia

