

CONFORMED COPY

LOAN NUMBER 2797 IN
CREDIT NUMBER 1780 IN

Loan Agreement

(Uttar Pradesh Urban Development Project)

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated December 21, 1987

LOAN NUMBER 2797 IN
CREDIT NUMBER 1780 IN

LOAN AGREEMENT

AGREEMENT, dated December 21, 1987, between INDIA, acting by its President (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to the development Credit Agreement between the Borrower and the International Development Association (the Association) of even date herewith (the Development Credit Agreement), has requested the Bank to assist in the financing of the Project;

(B) the Borrower has also requested the Association to provide additional financial assistance towards the financing of the Project and by the Development Credit Agreement the Association is agreeing to provide such assistance in an aggregate principal amount equivalent to one hundred six million three hundred thousand Special Drawing Rights (SDR 106,300,000);

(C) the Borrower and the Bank intend, to the extent practicable, that the proceeds of the credit provided for in the Development Credit Agreement be disbursed on account of expenditures in respect of the Project before disbursements of the proceeds of the Loan provided for in this Agreement are made;

(D) Part A of the Project will be carried out by the State of Uttar Pradesh with the Borrower's assistance and, as part of such assistance, the Borrower will make available to the State of Uttar Pradesh the proceeds of the Loan as provided in the Agreement;

(E) Part B of the Project will be carried out by the Borrower; and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to

extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement and in the Project Agreement of even date between the Bank and the State of Uttar Pradesh;

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 modifications set forth below (the General Conditions) constitute an integral part of this Agreement:

(a) paragraph 11 of Section 2.01 is deleted and the following is substituted therefor:

"11. the term "Project" means the Project described in Schedule 2 to the Development Credit Agreement (Uttar Pradesh Urban Development Project) between the Borrower and the Association of even date herewith as the description thereof may be amended from time to time by agreement among the Borrower, the Bank and the Association.

(b) The last sentence of Section 3.02 is deleted.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions, in the Development Credit Agreement and in the General Conditions Applicable to the Development Credit Agreement have the respective meanings therein set forth and the term Development Credit Agreement means the agreement of even date herewith between the Borrower and the Association for the Project, as such agreement may be amended from time to time; and such term includes the General Conditions Applicable to Development Credit Agreements of the Association, dated January 1, 1985, as applied to such agreement, and all schedules and agreements supplemental to the Development Credit Agreement.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Loan Agreement, an amount in various currencies equivalent to twenty million dollars (\$20,000,000).

Section 2.02. The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to the Development Credit Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for Part A of the Project described in Schedule 2 to the Development Credit Agreement and to be financed out of the proceeds of the Loan.

Section 2.03. The Closing Date shall be March 31, 1996 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent (3/4 of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. (a) The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time at a rate per annum for each Interest Period equal to one-half of one percent per annum above the Cost of Qualified Borrowings for the last Semester ending prior to the commencement of such Interest Period.

(b) As soon as practicable after the end of each Semester, the Bank shall notify the Borrower of the Cost of Qualified Borrowings for such Semester.

(c) For purposes of this Section:

(i) "Interest Period" means the six-month period commencing on each date specified in Section 2.06 of this Agreement, including the Interest Period in which this Agreement is signed.

(ii) "Cost of Qualified Borrowings" means the cost of the outstanding borrowings of the Bank drawn down after June 30, 1982, expressed as a percentage per annum, as reasonably determined by the Bank.

(iii) Semester means the first six months or the second six months of a calendar year.

Section 2.06. Interest and other charges shall be payable semiannually on March 15 and September 15 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in the Schedule to this Agreement.

ARTICLE III

Execution of the Project; Other Covenants

Section 3.01. Articles III and IV (excluding Section 4.02) of the Development Credit Agreement and Schedules 1 and 2 thereto, as such Articles and Schedules may be amended from time to time, are hereby incorporated into this Agreement with the same force and effect as if they were fully set forth herein; provided, however, that for the purposes of this Agreement: (i) the reference to the Credit in said Articles shall be deemed to be a reference to the Loan; (ii) the reference to the Development Credit Agreement in said Articles shall be deemed to be a reference to this Agreement; and (iii) the reference to the Sections of the General Conditions in Section 3.05 shall be deemed as reference to the following Sections of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 1, 1985: Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09.

Section 3.02. As long as any part of the Credit shall remain unwithdrawn or outstanding and unless the Borrower has been notified otherwise by the Bank, all information furnished by the Borrower to the Association pursuant to the provisions of the Development Credit Agreement shall be deemed to be furnished to both the Association and the Bank.

Section 3.03. The Borrower shall make the proceeds of the Loan available to Uttar Pradesh in accordance with the Borrower's standard procedures for developmental assistance to the States of India.

ARTICLE IV

Remedies of the Bank

Section 4.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional event is specified, namely, that any event specified in Section 5.01 of the Development Credit Agreement shall occur.

Section 4.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified, namely, that, any event specified in Section 5.02 of the Development Credit Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower.

ARTICLE V

Effective Date; Termination

Section 5.01. The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of Section 12.01 (c) of the General Conditions, namely, that all conditions precedent to the effectiveness of the

Development Credit Agreement, except for the effectiveness of this Agreement, have been fulfilled.

Section 5.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VI

Representatives of the Borrower; Addresses

Section 6.01. Any Secretary, Additional Secretary, Joint Secretary, Director, Deputy Secretary, or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 6.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

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

Cable address:

ECOFAIRS
New Delhi

Telex:

953-32354

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/ N. Misra

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ B. Alisbah

Acting Regional Vice President
Asia

SCHEDULE

Amortization Schedule

Date Payment Due	Payment of Principal (expressed in dollars)*
On each March 15 and September 15	
beginning September 15, 1992 through September 15, 2006	665,000
On March 15, 2007	715,000

* The figures in this column represent dollar equivalents determined as of the respective dates of withdrawal. See General Conditions, Sections 3.04 and 4.03.

Premiums on Prepayment

The following premiums are specified for the purposes of Section 3.04 (b) of the General Conditions:

Time of Prepayment	Premium
	The interest rate (expressed as a percentage per annum) applicable to the balance outstanding on the Loan on the day of prepayment multiplied by:
Not more than three years before maturity	0.15
More than three years but not more than six years before maturity	0.30
More than six years but not more than 11 years before maturity	0.55
More than 11 years but not more than 16 years before maturity	0.80
More than 16 years but not more than 18 years	0.90

before maturity

More than 18 years before
maturity

1.00

