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LOAN NUMBER 4870-IN

# Guarantee Agreement

(Rampur Hydropower Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

Dated January 15, 2008

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## **LOAN NUMBER 4870-IN**

### **GUARANTEE AGREEMENT**

AGREEMENT, dated January 15, 2008, entered into between INDIA (“Guarantor”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement of same date between the Bank and Satluj Jal Vidyut Nigam Limited (“Borrower”) (“Loan Agreement”). The Guarantor and the Bank hereby agree as follows:

#### **ARTICLE I – GENERAL CONDITIONS; DEFINITIONS**

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

#### **ARTICLE II – GUARANTEE; PROVISION OF FUNDS**

- 2.01. The Guarantor declares its commitment to the objectives of the Project. 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 all Loan Payments payable by the Borrower pursuant to the Loan Agreement, and the punctual performance of all the other obligations of the Borrower set forth or referred to in the Loan Agreement.
- 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for the carrying out of the Project, promptly to ensure that funds are available to the Borrower to meet such expenditures.
- 2.03. Without limitation or restriction upon the provisions of Section 2.01 and 2.02 of this Agreement, the Guarantor shall, as a shareholder of the Borrower, take all such actions as may be necessary or required in order to enable the Borrower to perform its obligations under the Loan Agreement. The Guarantor shall not take or permit to be taken any action which would prevent or interfere with such performance.

**ARTICLE III – REPRESENTATIVE; ADDRESSES**

3.01. The Guarantor's Representative is 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 Guarantor.

3.02. The Guarantor's Address is:

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

Cable:	Telex:	Facsimile:
ECOFAIRS	953-31-66175	91-11-23092477

3.03. 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)	(202) 477-6391

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

INDIA

By /s/ Madhusudan Prasad  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Isabel M. Guerrero  
Country Director, India

