

Public Disclosure Authorized

CONFORMED COPY

CREDIT NUMBER 4755-IN

Financing Agreement

(Capacity Building for Industrial Pollution Management Project)

between

INDIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 22, 2010

Public Disclosure Authorized



CREDIT NUMBER 4755-IN

FINANCING AGREEMENT

AGREEMENT dated July 22, 2010, entered into between INDIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

The Recipient has also requested the International Bank for Reconstruction and Development (“Bank”) to provide additional assistance towards the financing of the project (“Project”) described in Schedule 1 to the loan agreement of even date herewith between the Recipient and the Bank (“Loan Agreement”), and the Bank is agreeing to provide such assistance in an aggregate principal amount equal to twenty five million two hundred ten thousand Dollars (\$25,210,000) (“Loan”).

The Project will be carried out in part by the States of Andhra Pradesh and West Bengal (“Project States”) with the Recipient’s assistance and as part of such assistance, the Recipient will make available to each Project State part of the proceeds of the Loan, as provided in the Loan Agreement. In consideration of the Bank’s entering into the Loan Agreement and this agreement, and by project agreements of even date herewith between the Bank and each Project State (“Project Agreements”), each Project State is agreeing to undertake the obligations set forth in the Project Agreements.

The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006) (“General Conditions”) 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 — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twenty five million, seven hundred thousand Special Drawing Rights (SDR 25,700,000) (variously, “Credit” and “Financing”) to assist in financing the project described in Schedule 1 to the Loan Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to the Loan Agreement.

- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are June 1 and December 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in the Schedule to this Agreement.
- 2.07. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall, through its Ministry of Environment and Forests, carry out Parts 1.a and 3 of the Project and cause Parts 1.b, 1.c, 2.a, and 3 and Parts 1.b, 1.c, 2.b, and 3 of the Project to be carried out by the States of Andhra Pradesh and West Bengal (“Project States”), respectively, in accordance with the provisions of Article IV of the General Conditions and the Project Agreements and in accordance with Schedule 2 to the Loan Agreement.
- 3.02. The Recipient shall make part of the proceeds of the Credit available to each of the Project States.
- 3.03. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to the Loan Agreement, which are incorporated into the Financing Agreement with the following modifications unless the context otherwise requires:
 - (i) the term “Bank” shall be read as “Association”;
 - (ii) the term “Loan” shall be read as “Credit” or “Financing”;
 - (iii) the term “Borrower” shall be read as “Recipient”;
 - (iv) the term “General Conditions” shall be read as the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006) and its corresponding Sections; and

- (v) the term “this Agreement” or “the Loan Agreement” shall be read as the “Financing Agreement”.
- (b) So long as any part of the Loan provided for under the Loan Agreement shall remain outstanding and unless the Recipient has been notified otherwise by the Association:
 - (i) all actions taken, including approvals given, by the Bank pursuant to any of the Sections of, and Schedules to, the Loan Agreement enumerated in paragraph (a) of this Section shall be deemed to be taken or given in the name and on behalf of both the Bank and the Association; and
 - (ii) all information or documentation furnished by the Borrower or Recipient to the Bank pursuant to the provisions of any of such Sections of the Loan Agreement or Schedules thereto shall be deemed to be furnished to both the Bank and the Association.
- (c) If the Loan Agreement terminates prior to the termination of this Agreement, the provisions of the Loan Agreement referred to in this Agreement shall continue in full force and effect between the Recipient and the Association.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Condition of Effectiveness consists of the following, namely, that all conditions precedent to the effectiveness of the Loan Agreement (other than the effectiveness of the Financing Agreement) have been fulfilled.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient’s Representative consists of any of the following: Secretary; Additional Secretary; Joint Secretary; Director; Deputy Secretary; or Under Secretary of the Department of Economic Affairs in the Ministry of Finance of the Recipient.

5.02. The Recipient's Address is:

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

Facsimile:

91-11-23092039

5.03. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Facsimile:

1-202-477-6391

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

INDIA

By /s/ Anup K. Pujari
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ N. Roberto Zagha
Authorized Representative

SCHEDULE**Repayment Schedule**

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 1 and December 1:	
commencing December 1, 2020 to and including June 1, 2030	1.25%
commencing December 1, 2030 to and including June 1, 2045	2.5%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.