

CONFORMED COPY

LOAN NUMBER 3108 IN

(Sixth (National Family Welfare Training and
Systems Development) Population Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 11, 1989

LOAN NUMBER 3108 IN

LOAN AGREEMENT

AGREEMENT, dated September 11, 1989, 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 eighty-seven million two hundred thousand Special Drawing Rights (SDR 87,200,000) (the Credit);

(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 expendi-

tures in respect of the Project before disbursements of the proceeds of the Loan provided for in this Agreement are made;

(D) the Project will be carried out by the States (as such term is defined in the Development Credit Agreement) with the Borrower's assistance and, as part of such assistance, the Borrower will make available to such States the proceeds of the Loan as provided in this Agreement and the proceeds of the Credit as provided in the Development Credit Agreement; 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 herewith among the Association, the Bank, the State of Andhra Pradesh, the State of Madhya Pradesh 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 last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

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 thereto 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, various currencies equivalent to eleven million three hundred thousand dollars (\$11,300,000) being the sum of withdrawals of the proceeds of the Loan, with each withdrawal valued by the Bank as of the date of such withdrawal.

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 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, 1997 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 percent ($3/4$ 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 semi-annually 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

Section 3.01. (a) Subject to paragraph (b) of this Section, Sections 2.02 (b), 3.01, 3.02 and 4.01 of the Development Credit Agreement, and Schedules 1, 2 and 3 thereto, are incorporated in the Loan Agreement, with the following modifications in said Sections and Schedule 2:

- (i) the term "Association" shall be read as "Bank";
- (ii) the terms "Credit" and "Credit Account" shall be read as "Loan" and "Loan Account", respectively; and
- (iii) the term "this Agreement" or "the Development Credit Agreement" shall be read as "the Loan Agreement".

(b) So long as any part of the Credit provided for under the Development Credit Agreement shall remain outstanding and unless the Borrower has been notified otherwise by the Bank:

- (i) all actions taken, including approvals given, by the Association pursuant to any of the Sections of, and Schedules to, the Development Credit Agreement enumerated in paragraph (a) of this Section, as well as pursuant to Section 2.03 of the Development Credit Agreement, shall be deemed to be taken or given in the name and on behalf of both the Association and the Bank; and
- (ii) all information or documentation furnished by the Borrower to the Association pursuant to the provisions of any of such Sections of the Development Credit Agreement or Schedules thereto shall be deemed to be furnished to both the Association and the Bank.

Section 3.02. The Bank and the Borrower hereby agree that the

obligations set out in Sections 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively, shall be carried out by each of the States pursuant to Section 2.04 of the Project Agreement.

ARTICLE IV

Remedies of the Bank

Section 4.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified, namely, the events set out in Section 5.01 of the Development Credit Agreement provided, however, that the term "Association" wherever it appears in such Section shall be read as "Bank".

Section 4.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional events are specified, namely, the events set out in Section 5.02 of the Development Credit Agreement, provided, however, that the term "Association" wherever it appears in such Section shall be read as "Bank".

ARTICLE V

Effective Date; Termination

Section 5.01. 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.

Section 5.02. If the Development Credit Agreement terminates prior to the termination of this Agreement, the provisions of the Development Credit Agreement incorporated in this Agreement shall continue in full force and effect between the Borrower and the Bank.

ARTICLE VI

Representatives of the Borrower; Addresses

Section 6.01. The Secretary or any 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 to the Government of India
Department of Economic Affairs
Ministry of Finance
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:

Telex:

INTBAFRAD
Washington, D.C.

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/ Attila Karaosmanoglu
Regional Vice President
Asia

SCHEDULE

Amortization Schedule

Date Payment Due	Payment of Principal (expressed in dollars)*
March 15, 1995	205,000
September 15, 1995	215,000
March 15, 1996	225,000
September 15, 1996	230,000
March 15, 1997	240,000
September 15, 1997	250,000
March 15, 1998	260,000
September 15, 1998	270,000
March 15, 1999	280,000
September 15, 1999	290,000
March 15, 2000	300,000
September 15, 2000	315,000
March 15, 2001	325,000
September 15, 2001	340,000
March 15, 2002	350,000
September 15, 2002	365,000
March 15, 2003	380,000
September 15, 2003	395,000
March 15, 2004	410,000
September 15, 2004	425,000
March 15, 2005	440,000
September 15, 2005	455,000
March 15, 2006	475,000
September 15, 2006	490,000
March 15, 2007	510,000
September 15, 2007	530,000
March 15, 2008	550,000
September 15, 2008	570,000
March 15, 2009	595,000
September 15, 2009	615,000

* 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 before maturity	0.90
More than 18 years before maturity	1.00

