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**LOAN NUMBER 4862-IN**

# **Loan Agreement**

**(Strengthening Rural Credit Cooperatives Project)**

**between**

**INDIA**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated November 2, 2007**

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**LOAN NUMBER 4862-IN**

**LOAN AGREEMENT**

AGREEMENT dated November 2, 2007, between INDIA, acting by its President (“Borrower”), and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”).

Whereas the Borrower has also requested the International Development Association (“Association”) to provide additional assistance towards the financing of the project (“Project”) described in Schedule 1 to the financing agreement of even date herewith between the Borrower and the Association (“Financing Agreement”), and the Association is agreeing to provide such assistance in an aggregate principal amount equal to one hundred ninety six million eight hundred thousand Special Drawing Rights (SDR 196,800,000) (“Credit”).

Now therefore, the Borrower and the Bank hereby agree as follows:

**ARTICLE I – GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005, as amended through October 17, 2007, (“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 Financing Agreement.

**ARTICLE II – LOAN**

- 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of three hundred million Dollars (\$300,000,000) (“Loan”), to assist in financing the Project.
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to the Financing Agreement.
- 2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Variable Spread.

Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.

- 2.05. The Payment Dates are February 15 and August 15 in each year.
- 2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in the Schedule to this Agreement.

### **ARTICLE III – PROJECT**

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project, and cause the Project to be carried out by the Project Implementing Entity, in accordance with the provisions of Article V of the General Conditions.
- 3.02. (a) Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to the Financing Agreement, which are incorporated into the Loan Agreement with the following modifications, unless the context otherwise requires:
  - (i) the term “Association” shall be read as “Bank”;
  - (ii) the term “Credit” or “Financing” shall be read as “Loan”;
  - (iii) the term “Recipient” shall be read as “Borrower”;
  - (iv) the term “General Conditions” shall be read as the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005, as amended through October 17, 2007, and its corresponding Sections; and
  - (v) the term “this Agreement” or “the Financing Agreement” shall be read as “the Loan Agreement”.
- (b) So long as any part of the Financing provided for under the Financing 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 Financing 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 Association and the Bank; and
- (ii) all information or documentation furnished by the Recipient or Borrower to the Association pursuant to the provisions of any of such Sections of the Financing Agreement or Schedules thereto shall be deemed to be furnished to both the Association and the Bank.
  - (c) If the Financing Agreement terminates prior to the termination of this Agreement, the provisions of the Financing Agreement referred to in this Agreement shall continue in full force and effect between the Borrower and the Bank.

#### **ARTICLE IV – REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following: a situation has arisen which shall make it improbable that the CCS Revival Package, or a significant part of it, will be carried out.
- 4.02. The Additional Event of Acceleration consists of the following: the event specified in Section 4.01 of this Agreement occurs.

#### **ARTICLE V – EFFECTIVENESS**

- 5.01. The Additional Condition of Effectiveness consists of the following: that all conditions precedent to the effectiveness of the Financing Agreement shall have been fulfilled, other than those related to the effectiveness of this Agreement.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

#### **ARTICLE VI – REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient'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 Recipient.
- 6.02. The Borrower's Address is:

Ministry of Finance  
North Block  
New Delhi 110 001, India

|                       |                         |                |
|-----------------------|-------------------------|----------------|
| Cable address:        | Telex:                  | Facsimile:     |
| ECOFAIRS<br>New Delhi | 953-31-66175<br>FINE IN | 91-11-23093422 |

6.03. 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 address:                | Telex:                       | Facsimile:     |
| INTBAFRAD<br>Washington, D.C. | 248423(MCI) or<br>64145(MCI) | 1-202-477-6391 |

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

**SCHEDULE**

**Amortization Schedule**

| Principal Payment Date | Principal Amount of the Loan Payable<br>(Expressed in Dollars) * |
|------------------------|--|
| February 15, 2013      | 6,435,000  |
| August 15, 2013        | 6,620,000  |
| February 15, 2014      | 6,810,000  |
| August 15, 2014        | 7,005,000  |
| February 15, 2015      | 7,205,000  |
| August 15, 2015        | 7,415,000  |
| February 15, 2016      | 7,625,000  |
| August 15, 2016        | 7,845,000  |
| February 15, 2017      | 8,070,000  |
| August 15, 2017        | 8,305,000  |
| February 15, 2018      | 8,545,000  |
| August 15, 2018        | 8,790,000  |
| February 15, 2019      | 9,040,000  |
| August 15, 2019        | 9,300,000  |
| February 15, 2020      | 9,570,000  |
| August 15, 2020        | 9,845,000  |
| February 15, 2021      | 10,125,000   |
| August 15, 2021        | 10,420,000   |
| February 15, 2022      | 10,715,000   |
| August 15, 2022        | 11,025,000   |
| February 15, 2023      | 11,345,000   |
| August 15, 2023        | 11,670,000   |
| February 15, 2024      | 12,005,000   |
| August 15, 2024        | 12,350,000   |
| February 15, 2025      | 12,705,000   |
| August 15, 2025        | 13,070,000   |
| February 15, 2026      | 13,445,000   |
| August 15, 2026        | 13,830,000   |
| February 15, 2027      | 14,230,000   |
| August 15, 2027        | 14,640,000   |

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\* The figures in this column represent the amount in Dollars to be repaid, except as provided in Section 3.08 of the General Conditions.

