

Public Disclosure Authorized

CONFIRMED COPY

LOAN NUMBER 4872-IN

Loan Agreement

(Additional Financing for Karnataka Community-Based
Tank Management Project)

between

INDIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated November 2, 2007

LOAN NUMBER 4872-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 requested the Association to provide additional assistance towards the financing of the Project and by an agreement of even date herewith between the Borrower and the Association (“Additional Financing Agreement”), the Association is agreeing to provide such assistance in an aggregate principal amount equal to twenty one million Special Drawing Rights (SDR 21,000,000) (“Additional 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) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Loan Agreement have the meanings ascribed to them in the General Conditions or in the Additional 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 thirty two million Dollars (\$32,000,000) (“Loan”), to assist in financing the project described in Schedule 1 to the Additional Financing Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to the Additional 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty

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 June 15 and December 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 Entities 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 Additional 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 “Additional Credit” or “Additional 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 Additional Financing Agreement” shall be read as “the Loan Agreement”.
- (b) So long as any part of the Additional Credit provided for under the Additional 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 Additional Financing Agreement or Schedules thereto shall be deemed to be furnished to both the Association and the Bank.
- (c) If the Additional Financing Agreement terminates prior to the termination of this Agreement, the provisions of the Additional Financing Agreement referred to in this Agreement shall continue in full force and effect between the Borrower and the Bank.

ARTICLE IV – EFFECTIVENESS

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

ARTICLE V – REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower’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 Borrower.
- 5.02. The Borrower’s Address is:

Secretary to the Government of India
Department of Economic Affairs, Ministry of Finance
North Block, New Delhi 110 001
India

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

- 5.03. 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
Washington, D.C.

248423(MCI) or
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

<u>Date Payment Due</u>	<u>Payment of Principal*</u>
June 15, 2013	685,000
December 15, 2013	705,000
June 15, 2014	725,000
December 15, 2014	745,000
June 15, 2015	770,000
December 15, 2015	790,000
June 15, 2016	815,000
December 15, 2016	835,000
June 15, 2017	860,000
December 15, 2017	885,000
June 15, 2018	910,000
December 15, 2018	935,000
June 15, 2019	965,000
December 15, 2019	990,000
June 15, 2020	1,020,000
December 15, 2020	1,050,000
June 15, 2021	1,080,000
December 15, 2021	1,110,000
June 15, 2022	1,145,000
December 15, 2022	1,175,000
June 15, 2023	1,210,000
December 15, 2023	1,245,000
June 15, 2024	1,280,000
December 15, 2024	1,320,000
June 15, 2025	1,355,000
December 15, 2025	1,395,000
June 15, 2026	1,435,000
December 15, 2026	1,475,000
June 15, 2027	1,520,000
December 15, 2027	1,570,000
TOTALS	<u>32,000,000</u>

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

