

Loan Agreement

dated 2nd August 2012

between

KfW, Frankfurt am Main
("KfW")

and

INDIA
acting by its President
("Borrower")

for

Euro 50,000,000.00

**Environment Related Urban Infrastructure Development Odisha /
Odisha Urban Infrastructure Development Fund**
("Programme")

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KfW has agreed to extend to the Borrower a Loan to support the creation of a financing institutional framework in the state of Odisha, the Odisha Urban Infrastructure Development Fund (OUIDF) ("**Project**"). For this purpose KfW and the Borrower have agreed to enter into a loan agreement which provides the means to fund, the Loan ("**Loan Agreement**"), and a financing agreement dated 2 August 2012 between KfW and India as Recipient for Technical Assistance ("**Financing Agreement**"). On the basis of the Loan Agreement and Financing Agreement a **Project Agreement**, to which the Borrower hereby agrees, will be concluded between KfW, the State of Odisha and the Odisha Urban Infrastructure Development Fund (OUIDF) (the "**Project Executing Agency**"). This Project Agreement shall lay down the financing and the execution of the Project in detail. The Project Executing Agency and KfW shall determine the details of the Project and the Sub-Projects to be financed from the Loan in a separate agreement to the Project Agreement.

On the basis of the agreement dated 15 May 2009 between the Government of the Federal Republic of Germany and the Government of India on Financial Cooperation ("**Government Agreement**"), the Borrower and KfW hereby enter into the following Loan Agreement.

Under the condition that the Federal Republic of Germany will provide interest rate subsidies KfW will extend a Loan subject to the terms of this Loan Agreement. The terms and conditions of the Loan comply with the OECD requirements applicable on the date of signing of this Loan Agreement for recognition as Official Development Assistance (ODA).

Article 1

Amount and Purpose of the Loan

1.1 KfW will extend to the Borrower a Loan not exceeding a total of

Euro 50,000,000.00

(in words: Fifty million Euro ("Loan")).

1.2 The Borrower shall channel the Loan in full in accordance with the Borrower's back-to-back on-lending guidelines and at the same terms and conditions through the State of Odisha to the Project Executing Agency. The Borrower shall ensure that the Project Executing Agency uses the Loan exclusively to refinance the Project with a positive environmental impact by providing loans to environment related urban infrastructure Sub-Projects ("**Sub-Projects**"), and to support sub-projects with viability gap funding where necessary. The Project Executing Agency and KfW shall determine the details of the Project and the Sub-Projects to be financed from the Loan in a separate agreement to the Project Agreement.

1.3 Taxes and other public charges owed by the Borrower or by the Project Executing Agency and import duties shall not be financed from the Loan.

Article 2

Channelling of the Loan to the Project Executing Agency

2.1 The Borrower shall channel the loan through the Government of Odisha to the Project Executing Agency in accordance with the Borrower's standard arrangements for developmental assistance to the states. The Borrower shall pass the Loan to the Government of Odisha at the same terms and conditions as set forth in Articles 4.5 and 5.1. Subsequently the Government of Odisha shall pass 50% of the funds as a capital grant for Urban Local Bodies (ULBs) to

the Grant Fund of the Project Executing Agency. The remaining 50% of the funds will be passed as a loan (loan component) on a back-to-back basis to the Loan Fund of the Project Executing Agency. The currency risk for this loan component will be born by the Project Executing Agency.

- 2.2 Prior to the first disbursement from the Loan, the Borrower shall ensure that the State of Odisha sends KfW a confirmation on the channelling specified in Article 2.1.
- 2.3 The channelling of the Loan shall not constitute any liability of the Project-Executing Agency to KfW for payment obligations under this Agreement.

Article 3

Disbursement

- 3.1 After all conditions precedent to disbursement according to Article 11 have been fulfilled, KfW will disburse the Loan in accordance with the progress of the Project and upon request of the Project Executing Agency. Disbursement of the Loan will be effected in accordance with the disbursement schedule contained in Annex 1 of this Loan Agreement. KfW will make disbursements only up to the maximum amounts determined for each disbursement period. To the extent the Project Executing Agency requests disbursement of lower amounts within any disbursement period the undisbursed amounts may be requested in any subsequent disbursement period.
- 3.2 KfW shall not be obligated to effect more than one disbursement per calendar month and not amounts of less than Euro 1,500,000.00 except for the first two and the last disbursement.
- 3.3 KfW shall have the right to refuse to make disbursements after December 29, 2017.

- 3.4 By a separate agreement, the Project Executing Agency and KfW shall determine the disbursement procedure, in particular the evidence proving that the requested loan amounts are used for the purpose stipulated in this Loan Agreement.
- 3.5 The Borrower may not waive the disbursement of undisbursed Loan amounts without the prior written consent of KfW.
- 3.6 If the Borrower waives disbursement of a loan amount, or if a Loan amount is not disbursed at all or is not disbursed by the deadline stated in Article 3.3 for other reasons for which KfW cannot be held accountable, the Borrower will promptly pay to KfW upon its request such amount as is necessary to compensate KfW for any losses, expenses or costs incurred by KfW as a result of the non-utilisation of the Loan amount in question, i.e. the excess (if any) of (i) the interest for a Loan amount, which KfW would have been entitled to claim until the end of the fixed interest rate period applying for the Loan amount had the Borrower not dispensed or waived with the disbursement of the Loan amount, over (ii) the interest which KfW could receive by reinvesting the respective Loan amount until the end of the fixed interest rate period applicable to that Loan amount taking into consideration the repayment of principal as agreed in the Loan Agreement, provided that such excess amount must be discounted by the reinvestment interest rate curve thus determined by KfW. KfW will calculate the amount of the non-utilisation fee and communicate it to the Borrower.

Article 4

Fees and Interest

- 4.1 The Borrower will pay a non-refundable commitment fee of 0.25% p. a. on undisbursed Loan amounts which shall be calculated as follows:

For undisbursed amounts of the first (second / third / fourth) Loan Tranche pursuant to Annex 1, the commitment fee will be computed by KfW for a period

beginning in relation to each respective Loan Tranche 6 (12 / 24 / 36) months from the date of signing of this Loan Agreement until the date on which the amount of such Loan Tranche has been disbursed in full, or fully cancelled, as the case may be.

The commitment fee is due for payment semi-annually and in arrears on 30 June and 30 December of each year (each a "Payment Date"). The first payment of the commitment fee is due on the first Payment Date following the elapse of six months from the date of signing of this Loan Agreement.

- 4.2 The Borrower will pay to KfW within 30 days after the date of signing of this Loan Agreement by KfW, but in any event prior to the first disbursement from the Loan, a management fee of 0.25 % flat on the Loan amount mentioned in Article 1.1. If the first disbursement from the Loan is effected within one year after the date of signing of this Loan Agreement by KfW, the management fee paid shall be reimbursed to the Borrower by KfW. In case, however, of a first disbursement later than the first year after the date of signing of the Loan Agreement, the management fee will be non-refundable and will fully accrue regardless of whether the Loan will be disbursed in full, or at all.
- 4.3 The Borrower shall pay to KfW interest in arrears according to Article 4.5 below on the Payment Dates.
- 4.4 Interest shall accrue from the date on which the disbursement is debited to the dates on which the respective repayment instalments are credited to the account of KfW mentioned in Article 6.3 hereof.
- 4.5 The Borrower shall pay interest on the Loan at a rate of 1.79 % p.a. ("Fixed Interest Rate"). The rate of interest thus fixed shall be binding for the entire term of the loan.



Article 5

Repayment and Prepayment

- 5.1 The Borrower will repay the Loan to KfW in 21 consecutive semi-annual instalments in accordance with the following schedule:

	Due Date	Principal Installments (EUR)
1	30.12.2017	2.380.000,00
2	30.06.2018	2.381.000,00
3	30.12.2018	2.381.000,00
4	30.06.2019	2.381.000,00
5	30.12.2019	2.381.000,00
6	30.06.2020	2.381.000,00
7	30.12.2020	2.381.000,00
8	30.06.2021	2.381.000,00
9	30.12.2021	2.381.000,00
10	30.06.2022	2.381.000,00
11	30.12.2022	2.381.000,00
12	30.06.2023	2.381.000,00
13	30.12.2023	2.381.000,00
14	30.06.2024	2.381.000,00
15	30.12.2024	2.381.000,00
16	30.06.2025	2.381.000,00
17	30.12.2025	2.381.000,00
18	30.06.2026	2.381.000,00
19	30.12.2026	2.381.000,00
20	30.06.2027	2.381.000,00
21	30.12.2027	2.381.000,00
Total		50,000,000.00

- 5.2 Should the Borrower wish to repay the outstanding principal of the Loan in whole or in part in advance of maturity ("**prepay**"; each such repayment a "**Prepayment**"), the following terms and conditions shall apply.

- 5.2.1 Should the Borrower wish to prepay Loan amounts in whole or in part, the Borrower shall notify KfW of the prepayment no later than 30 days prior to the intended prepayment date. Such notice shall be irrevocable; it must state the amount and the date of the intended Prepayment. For each Prepayment under this Article 5.2.1 the Borrower must immediately pay to KfW upon request such amount as is necessary to compensate KfW for any losses, expenses or costs incurred by KfW as a result of the prepayment ("**Prepayment Compensation**"), i.e. the excess (if any) of (i) the interest for a Loan amount, which KfW would have been entitled to claim until the end of the fixed interest rate period applying for the Loan amount had the Borrower not prepaid the Loan amount, over (ii) the interest which KfW could receive by reinvesting the respective Loan amount until the end of the fixed interest rate period applicable to that Loan amount taking into consideration the repayment of principal as agreed in the Loan Agreement, provided that such excess amount must be discounted by the reinvestment interest rate curve thus determined by KfW. KfW will calculate the amount of the prepayment compensation and communicate it to the Borrower.
- 5.2.2 Any prepayment shall be offset against the outstanding repayment instalments of the Loan in the inverse chronological order of instalments and shall be in a minimum amount of Euro 5 million or such lower amount as may be outstanding under the Loan.
- 5.2.3 The Borrower will pay together with the respective prepayment any prepayment compensation due as a result of the prepayment as well as all interest accrued on the prepaid Loan amount up to the date of the prepayment.
- 5.3 Undisbursed Loan amounts shall be deducted from such repayment instalment(s) as shall fall due last under the repayment schedule.
- 5.4 If Loan amounts are disbursed after repayment has started, the repayment schedule as listed in Article 5.1 will remain unaffected as long as the respective repayment instalment due in accordance with the repayment schedule is less than the Loan amounts already disbursed. If the repayment instalment due for payment exceeds the outstanding loan amount, KfW will deduct the amount equal to the difference from the repayment instalment due, divide it by the

remainder of the repayment instalments still outstanding, and add this sum to each outstanding repayment instalment. KfW reserves the right to postpone taking disbursements into consideration that are made within 45 days prior to the respective Payment Date for the determination of the outstanding Loan amount until the second Payment Date following the disbursement.

- 5.5 In the event that Article 5.2 or Article 5.4 applies, KfW will send the Borrower a revised repayment schedule that will become an integral part of this Loan Agreement and will replace the repayment schedule valid until such time.

Article 6

Calculations and Payments in General

- 6.1 Interest, the commitment fee, default interest pursuant to Article 6.6, lump-sum compensation for overdue amounts pursuant to Article 6.7, the non-utilization fee pursuant to Article 3.6, and prepayment compensation pursuant to Article 5.2 will all be calculated on the basis of a 360-day year and 30-day months.
- 6.2 If any payment under this Loan Agreement falls due on a day which is not a Banking Day the Borrower must make such payment on the following Banking Day in the same calendar month (if there is one) or the preceding Banking Day (if there is not). For the purpose of this Loan Agreement a **Banking Day** shall mean a day other than a Saturday, Sunday or legal holiday, on which commercial banks in Frankfurt am Main are open for general business.

In the case of any adjustment of the due date for payments under this Loan Agreement:

- (i) the applicable interest period shall be adjusted accordingly;
- (ii) interest is payable at the rate payable on the original due date; and
- (iii) the next interest period shall commence on the expiry of that adjusted interest period.

- 6.3 The Borrower will only be released from its payment obligations in connection with this Loan Agreement when and to the extent that the respective amounts have been credited to KfW at its free disposal without any deductions in Euro and not later than 10.00 a.m. (Frankfurt time) to KfW's account no. 3100087203 (IBAN DE 36 5002 0400 3100 0872 03, held with KfW, Frankfurt am Main (bank sort code 500 204 00, BIC KFWIDEFF), with additional reference of the due date "Ref. YYYYMMDD").
- 6.4 KfW may offset any sums received against any payment obligations due under this Loan Agreement or under other loan agreements, if any, concluded between KfW and the Borrower.
- 6.5 The Borrower is not entitled to exercise rights of retention, set-off, counterclaim or comparable rights against payment obligations under this Loan Agreement unless such right has been established with legally binding force or has not been contested by KfW.
- 6.6 KfW may without further notice demand a rate of interest on overdue repayment instalments (including notified and overdue Prepayments) of 2 % p. a. above EURIBOR prevailing during the period of such delay for successive 3-month periods or such shorter period as KfW may from time to time select. The applicable EURIBOR shall be the rate as being the arithmetic means (rounded upward to the nearest 1/16 of 1 %, if necessary) of the rates per annum, quoted by the Reuters EURIBOR01 page or, if the required information does not appear on this page or cannot be called up, on Bloomberg page Corp EBF (or on any successor page, which replaces the Reuters EURIBOR01 page or Bloomberg page Corp EBF) at or around 11 a.m. (Brussels time) as the EURIBOR rate of the European Banking Federation for term deposits in Euros on the European interbank market for a term corresponding to the maturities equal to (or if there is no equal, corresponding to the next longer period of) the specified period. Interest on overdue repayment instalments and overdue Prepayments shall be paid without delay upon first demand of KfW. This rate must at least equal the Fixed Interest Rate.

- 6.7 KfW may without further notice demand on amounts overdue other than repayment instalments as a lump sum indemnification for damages an amount calculated at a rate of 2 % p.a. above EURIBOR prevailing during the period of such delay for successive 3-month periods or such shorter period as KfW may from time to time select. This lump sum indemnification shall be paid without delay upon first demand of KfW. The Borrower shall be free to prove that no damage was in fact incurred or that the damages were not incurred in the amount as stated.
- 6.8 Absent manifest error KfW's determinations and calculation of amounts under this Loan Agreement shall constitute prima-facie evidence.

Article 7

Special Obligations

- 7.1 The Project must be economically, financially and technically sound and must be regarded as particularly worthy of promotion both for economic and for development-policy reasons.
- 7.2 The Borrower
- a) shall ensure that the Project Executing Agency executes the Project in compliance with the provisions laid down in the separate agreement and the Project Agreement, concluded between KfW and the Project Executing Agency. The Borrower shall assist the Project Executing Agency in conformity with sound financial and technical practices in the implementation of the Project and in the performance of the Project Executing Agency's obligations under the separate agreement and the Project Agreement and in particular, grant the Project Executing Agency any and all permissions necessary for the implementation of the Project;

- b) shall of its own accord and without delay (i) notify KfW of any and all circumstances that exclude or seriously jeopardise the implementation, the operation or the purpose of the Project and (ii) forward to KfW any queries received by the Borrower or the Project Executing Agency from the OECD or its members under the so-called "Agreement for Untied ODA Credits Transparency" following the award of the contracts for the supplies and services to be financed from the Loan and will coordinate the reply to any such queries with KfW;
- c) shall ensure the full financing of the Project and furnish to KfW upon its request evidence proving that the costs not paid from this Loan are covered;
- d) will disburse the Loan only in accordance with the progress of the Project;
- e) will provide all information and reports requested by KfW on the proper utilization of the Loan and on the implementation of the Project and will ensure the same for the Project Executing Agency;
- f) will ensure that the Project Executing Agency of its own accord promptly informs KfW of any and all modifications of its constitutional documents and of other regulations applicable to the Project Executing Agency, of any and all changes in the Project Executing Agency's management or its majority of shareholders;
- g) will of its own accord promptly inform KfW of any and all modifications and of other regulations applicable to the Borrower;
- h) will ensure that the Project Executing Agency will submit to KfW, immediately upon their completion, the audited financial statements with the balance sheet and profit and loss accounts together with the relevant explanatory notes;
- i) will enable KfW or its representatives at any time to inspect any and all books and records pertinent to this Loan and its utilization as well as

any and all auditor's and accountant's reports prepared on this Loan by the Borrower's, respectively by the Project Executing Agency's own departments and statutory auditors and will furnish to KfW any and all such information as KfW may reasonably request, and

- j) will ensure that, as long as payment obligations exist under the Loan, the representatives of KfW - at the request of KfW together with representatives of the Borrower, respectively of the Project Executing Agency - may at any time verify the proper use of the loan amounts also by visiting the sites of the Project;

- 7.3 The Project Executing Agency and KfW will determine the details pertaining to Article 7.2 by a separate agreement.

Article 8

Taxes and Expenses, Indemnity

- 8.1 The Borrower will make all payments under this Loan Agreement without any deduction or withholding. In the event that the Borrower is required by law or otherwise to make any deduction or withholding from any sum payable to KfW, then the Borrower shall pay such additional amounts as to ensure that KfW receives a net sum equal to the sum it would have received had no such deduction or withholding been made.
- 8.2 The Borrower will bear all taxes, fees, charges, stamp duties and similar cost accruing in connection with the conclusion and implementation of this Loan Agreement outside the Federal Republic of Germany. Any such cost accruing within the Federal Republic of Germany shall be borne by the Borrower if caused by it. If any such costs to be borne by the Borrower are paid by KfW, the Borrower shall promptly on demand reimburse KfW.
- 8.3 The Borrower will bear all costs and expenses, including legal expenses, arising out of or in connection with the preparation, disbursement, execution,

registration, implementation, modification, preservation or enforcement of this Loan Agreement, the rights hereunder, or any security or document pertaining hereto. If any such cost or expense is paid by KfW, the Borrower shall promptly on demand reimburse KfW.

8.4 If by reason of

a) compliance with requests or requirements issued by any central bank or other fiscal, monetary or other authority after the date of this Loan Agreement,

or

b) any change in law or its interpretation and administration,

or

c) an introduction, termination or re-negotiation of any applicable bilateral or multilateral treaty or agreement, in particular on double taxation,

KfW incurs additional costs or losses or is unable to obtain the agreed margin over its refinancing costs as a result of its having entered into and funded this Loan Agreement ("**Increased Costs**"), then KfW shall notify the Borrower thereupon. The Borrower shall promptly on demand indemnify KfW against any and all such Increased Costs. Any such demand by KfW shall be accompanied by a notice from KfW stating the basis for its demand and setting forth in reasonable detail the calculation of the amount thereof.

Article 9

General Undertakings

The Borrower hereby undertakes with KfW that it will

- (a) ensure that the persons charged by it with the preparation and implementation of this loan and with requesting disbursements of loan amounts do not demand, assume, render, grant, promise or obtain a promise of unlawful payments or other advantages in connection with these tasks and that the

persons charged with the preparation and implementation of the Project and the award of any contract for the supplies and services to be financed do not demand, assume, render, grant promise or obtain a promise of unlawful payments or other advantages in connection with these tasks;

- (b) promptly notify KfW in writing of the occurrence or potential occurrence of any Event of Default (as defined in Article 10.1);
- (c) promptly inform KfW of any event that may impede or endanger the performance of the Borrower's obligations under this Loan Agreement.

Article 10

Events of Default

10.1 KfW shall be entitled without having to resort to any legal procedure whatsoever to suspend disbursement or to terminate this Loan and to demand immediate payment of all amounts payable under this Loan Agreement, if any event constituting an important reason under German law ("**Event of Default**") shall occur, such as:

- a) the Borrower fails to meet any payment obligation vis-à-vis KfW when due;
- b) the Borrower fails to perform any other obligation or undertaking vis-à-vis KfW;
- c) Obligations under this Loan Agreement, the Financing Agreement, the Project Agreement or the separate agreement pertaining thereto have been breached;
- d) this Loan Agreement, the Financing Agreement, the Project Agreement or the separate agreement or any parts thereof cease to have a binding effect upon the Borrower or the Project Executing Agency, respectively upon the State of Odisha or ceases to be enforceable against the

Borrower or the Project Executing Agency, respectively upon the State of Odisha.

- e) any declaration, confirmation, information or representation or warranty which is in the opinion of KfW essential for the granting and maintaining of the Loan proves to be incorrect, misleading or incomplete;
- f) any law, regulation, decision, directive or any act of any authority or any order of any court precludes the due performance and fulfilment or may affect or impair the validity of this Loan Agreement, the Financing Agreement, the Project Agreement or the separate agreement;
- g) other extraordinary circumstances (e.g. force majeure) occur which delay or preclude the performance of obligations under this Loan Agreement, the Financing Agreement, the Project Agreement or the separate agreement;
- h) any of the following occurs to the Borrower, respectively to the Project Executing Agency:
 - aa) the Borrower respectively the Project Executing Agency, under applicable law, is insolvent, bankrupt or unable to pay its debts as and when due (or is considered as such under applicable law);
 - bb) the appointment of a receiver, the declaration of a moratorium in respect of any of its indebtedness, bankruptcy, discontinuance of business, liquidation, inability to honour debts, compulsory or voluntary winding-up, sale of an essential portion of assets or any event similar to any of the foregoing;
- i) the Borrower or the Project Executing Agency is unable to prove that the loan amounts have been used for the stipulated purpose;
- j) in the reasonable judgement of KfW the Borrower's financial situation materially deteriorates or other exceptional circumstances occur which

imperil, delay or preclude the fulfilment of any obligations under this Loan Agreement;

- k) the Project Executing Agency is dissolved or suspends its business operations by resolution or by force of law or a material change in its legal form or shareholder structure.

10.2 If any of the events specified in Article 10.1 has occurred and has not been eliminated within a period of five days (in the case of Article 10.1 a)) or, in all other cases specified in Article 10.1, has not been resolved within a period determined by KfW which may not, however, be less than 30 days, KfW may terminate this Loan Agreement and demand immediate repayment of the Loan amount disbursed together with all interest accrued and, except for extraordinary circumstances mentioned in Article 10.1 f), all other amounts due under this Loan Agreement.

In case this Loan Agreement is terminated by KfW following an Event of Default, Articles 6.6 and 6.7 hereof shall apply to accelerated amounts mutatis mutandis.

10.3 Should Loan amounts not be utilised or be repaid prematurely pursuant to Article 10.1 or 10.2 the Borrower shall indemnify KfW against any loss or expense which KfW may incur as a consequence. Such Non-Utilisation Fee shall be calculated in accordance with Article 3.6. Such Prepayment Compensation shall be calculated in accordance with Article 5.2.

Article 11

Conditions Precedent

The obligation of KfW to make disbursements of any amount under this Loan Agreement shall be subject to satisfaction of the following conditions precedent:

- 11.1 The following documents have been submitted to KfW not later than 2 months after the date of signing of this Loan Agreement but in any case prior to the initial disbursement date without any cost for KfW and have been accepted by it as satisfactory in form and substance:
- a) Evidence (in form of a legal opinion) satisfactory to KfW proving that the Borrower has met all requirements under its constitutional law and other legal provisions for the valid assumption of all its obligations under this Loan Agreement accompanied by such documents as KfW may require;
 - b) the specimen signatures mentioned of such persons who shall represent the Borrower in the execution of this Agreement, certified by the Secretary to the Government of India, Ministry of Finance;
 - c) the signed Project Agreement and the signed separate agreement;
 - d) confirmation of the Borrower and of the State of Odisha on the terms of the channelling of the Loan to the Project Executing Agency as further set out in Article 2.1 of this Loan Agreement;
 - e) such other documents relating to any of the matters contemplated in this Loan Agreement as KfW may reasonably request.
- 11.2 No extraordinary circumstances have arisen that preclude or seriously jeopardise the implementation, the operation, or the purpose of the Project, or the performance of the payment obligations assumed by the Borrower under this Loan Agreement.
- 11.3 No Event of Default under Article 10 hereof or event or condition that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred.
- 11.4 KfW has received full payment of the amounts due and payable in accordance with Article 4.2.

Article 12

General Legal Provisions

- 12.1 This Loan Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany.
- 12.2 Place of performance shall be Frankfurt am Main.
- 12.3 All claims of KfW under this Loan Agreement expire after five years from the end of the year in which any such claim has accrued and in which KfW has become aware of the circumstances constituting such claim or could have become aware of them without gross negligence.
- 12.4 All disputes arising out or in connection with this Loan Agreement shall be settled exclusively and finally by an arbitration tribunal. In this regard, the following will apply:
- a) The arbitration tribunal will consist of one or three arbitrators who will be appointed and will act in accordance with the Arbitration Rules of the International Chamber of Commerce (ICC) applicable from time to time.
 - b) The arbitration proceedings will be conducted in Frankfurt am Main. The proceedings will be held in the English language.
- 12.5 Should any of the provisions of this Loan Agreement be legally invalid, such invalidity shall not affect the validity of the remaining provisions. Any gap resulting in consequence shall be filled by a provision consistent with the spirit and the purpose of this Loan Agreement.

- 12.6 No payment to KfW hereunder, be it pursuant to any award or judgement or order of any court or otherwise shall operate to discharge the obligation of the Borrower in respect of which it was made unless and until payment in full shall have been received in the currency of account of such obligation. To the extent that the amount of any such payment shall on any necessary conversion into the currency of account in which the payment fell due, fall short of the amount of the relevant obligation expressed in such currency of account, the Borrower shall remain indebted to KfW in such sum as shall upon conversion into the currency of the account in which the payment fell due equal the amount of the shortfall.
- 12.7 No failure to exercise and no delay in exercising on the part of KfW any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right preclude any other or further exercise thereof in future.
- 12.8 To the extent that the Borrower may now or in future in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment or other legal process and to the extent that in any such jurisdiction there may be attributed to itself or its assets such immunity, the Borrower hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.
- 12.9 The Borrower shall not assign or pledge any rights or transfer any obligations arising from this Loan Agreement without the prior written consent of KfW.
- 12.10 KfW is entitled to furnish the Federal Republic of Germany with information in connection with the conclusion and execution of this Loan Agreement. Both KfW and the Federal Republic of Germany have the right to pass on information on the Loan and the Program including the award of contracts for the supplies and services to be financed from the Loan to international organisations engaged in the collection of statistical data, particularly in connection with aspects of debt service and/or the collection and publication of data related to the award of contracts for the supplies and services to be financed from the Loan. The above right to forward information to international

organisations also includes the right to directly pass on such information to members of such organisations.

Article 13

Statements and Notices

- 13.1 Modifications of, or amendments to, this Loan Agreement shall be in writing only.
- 13.2 Any statements or notices and communications in respect of this Loan Agreement shall be sent as originals or – with the exception of requests for disbursement – via facsimile to the following addresses:

For KfW:

KfW
Attn: LE b/3
Postfach 11 11 41
60046 Frankfurt am Main
Federal Republic of Germany
Phone: +49 69 7431-0
Fax: +49 69 7431-3609

For the Borrower:

Ministry of Finance
Government of India
Department of Economic Affairs
North Block, New Delhi- 110 001
Fax: +91 – 11 – 2309 2477

Any such statement, notice or communication shall be deemed to have been received:

- a) if made by airmail letter, seven days after the relevant letter has been dispatched by registered airmail, postage prepaid; or
- b) if made by tele-transmission, when transmission has been completed.

Financing Agreement

dated 2nd August 2012

between

KfW, Frankfurt am Main
("KfW")

and

INDIA
acting by its President
("Recipient")

for

EUR 2,500,000.00

Accompanying Measure
Environment Related Urban Infrastructure Development Odisha /
Odisha Urban Infrastructure Development Fund
("Programme")

Disbursement Schedule

Within each Disbursement Period indicated below, the Borrower will have requested disbursement of Loan amounts not exceeding in total the amount indicated below for each Disbursement Period. To the extent the Borrower requests disbursement of lower amounts within any Disbursement Period, undisbursed amounts of each Disbursement Period may be disbursed in subsequent Disbursement Periods.

For undisbursed amounts of the first (second / third / fourth) Loan tranche not exceeding in total the amount indicated below, commitment fee will be computed by KfW for a period beginning in relation to each respective Loan tranche 6 (12 / 24 / 36) months from the date of signing of this Loan Agreement until the date on which the amount of such Loan tranche has been disbursed in full, or fully cancelled, as the case may be.

Loan Tranche No.	Total Loan Tranche Amount (all figures in EUR)	Disbursement Period No.	Disbursement Period (months after signing of this Loan Agreement)	Maximum total amount that will have been disbursed within each respective disbursement period (all figures in EUR)
1	2,500,000.00	1	0-6	0,500,000.00
		2	6-12	2,000,000.00
2	10,000,000.00	3	12-18	5,000,000.00
		4	18-24	5,000,000.00
3	15,000,000.00	5	24-30	8,000,000.00
		6	30-36	7,000,000.00
4	22,500,000.00	7	36-42	14,000,000.00
		8	42-48	08,500,000.00
TOTAL	50,000,000.00			50,000,000.00

13.3 The Secretary of the Department of Economic Affairs, Ministry of Finance of the Government of India, and such persons as designated by him or her to KfW and authorised by specimen signatures authenticated by him or her will represent the Borrower in the execution of this Loan Agreement. The power of representation will not expire until its express revocation by the representative of the Borrower authorised at such time has been received by KfW.

Alterations to the names, addresses or to the powers of representation and to specimen signatures shall be binding as between the parties only as of receipt by the other contracting party of statements or documents advising such alteration.

13.4 This Loan Agreement shall be executed in the English language in two counterparts, each of which shall constitute an original instrument.

Bhubaneswar,


this, 2nd August 2012



KfW

Bhubaneswar,

this 2nd August 2012



INDIA

Ministry of Finance

Department of Economic Affairs

Government of India – New Delhi

for and on behalf of

the President of India

KfW has agreed to extend to the Borrower a Loan to support the creation of a financing institutional framework in the state of Odisha, the Odisha Urban Infrastructure Development Fund (OUIDF) ("**Project**"). For this purpose KfW and the Borrower have agreed to enter into a loan agreement which provides the means to fund the Loan ("**Loan Agreement**") and a financing agreement for technical assistance ("**Financing Agreement**"). On the basis of the Loan Agreement and Financing Agreement a **Project Agreement**, to which the Borrower hereby agrees, will be concluded between KfW, the Government of Odisha and the Odisha Urban Infrastructure Development Fund (OUIDF) (the "**Project Executing Agency**"). This Project Agreement shall lay down the financing and the execution of the Project in detail. The Project Executing Agency and KfW shall determine the details of the Project and the Sub-Projects to be financed from the Loan in a separate agreement to the Project Agreement.

On the basis of the agreements dated 15 May 2009 and 2 February 2011 between the Government of the Federal Republic of Germany and the Government of India on Financial Cooperation ("**Government Agreements**"), the Recipient and KfW hereby enter into the following Financing Agreement:

Article 1

Amount and Purpose of the Financial Contribution

1.1 KfW shall extend to the Recipient a financial contribution not exceeding

EUR 2,500,000.00

(in words: two million five hundred thousand Euro ("**Financial Contribution**")).

This financial contribution shall not be repayable unless otherwise stipulated in Article 4.2.

1.2 The Recipient shall channel the financial contribution in full to the Project-Executing Agency in accordance with the conditions set forth in Article 2. The Recipient shall procure that the Project Executing Agency uses the financial contribution exclusively for the financing of technical assistance to support project preparation activities necessary for creating a shelf of bankable sub-projects including preparation of Urban Development Plans / City Development Plans, preparation of Feasibility Studies and Detailed Project Reports, Tender Documents and implementation consultancy and support for urban infrastructure projects supporting the creation of the Odisha Urban

Infrastructure Development Fund (OUIDF). The Project Executing Agency and KfW shall determine the details of the Project and the Sub-Projects to be financed from the financial contribution by a separate agreement.

- 1.3 Taxes and other public charges to be borne by the Recipient or the Project-Executing Agency and import duties shall not be financed from the financial contribution.

Article 2

Channelling of the Financial Contribution to the Project Executing Agency

- 2.1 The Recipient shall channel the financial contribution to the Project-Executing Agency as a non-repayable grant under a separate financing agreement.
- 2.2 Prior to the first disbursement from the financial contribution, the Recipient shall furnish to KfW a copy of the agreement referred to in Article 2.1.
- 2.3 The channelling of the financial contribution shall not constitute any liability of the Project-Executing Agency to KfW for payment obligations under this Agreement.

Article 3

Disbursement

- 3.1 KfW shall disburse the financial contribution in accordance with the progress of the Project and upon request of the Project Executing Agency. By the Separate Agreement, the Project Executing Agency and KfW shall determine the disbursement procedure, in particular the evidence proving that the requested funds are used for the stipulated purpose.
- 3.2 KfW shall have the right to refuse to make disbursements after 29.12.2017.

Article 4

Suspension of Disbursements and Repayment

- 4.1 KfW may not suspend disbursements unless
- a) the Recipient fails to perform its obligations to KfW to make payments when due,
 - b) obligations under this Agreement, the Loan Agreement, the Project Agreement or under the Separate Agreement pertinent to these agreements have been violated,
 - c) the Recipient or the Project Executing Agency is unable to prove that the disbursed amounts have all been used for the stipulated purpose, or
 - d) extraordinary circumstances arise that preclude or seriously jeopardize the implementation, the operation, or the purpose of the Project.
- 4.2 If any of the situations specified in Article 4.1 b) or c) has occurred and has not been eliminated within a period determined by KfW, which shall, however, be at least 30 days, KfW may,
- a) in the case of Article 4.1 b), demand the immediate repayment of all disbursed amounts;
 - b) in the case of Article 4.1 c), demand the immediate repayment of such amounts as the Recipient or the Project Executing Agency is unable to prove to have been used for the stipulated purpose.

Article 5

Costs and Public Charges

The Recipient shall bear all taxes and other public charges accruing outside the Federal Republic of Germany in connection with the conclusion and execution of this Agreement, as well as all transfer and conversion costs accruing in connection with the disbursement of the financial contribution.

Article 6

Contractual Statements and Power of Representation

- 6.1 The Secretary of the Department of Economic Affairs, Ministry of Finance of the Government of India and such persons as designated by him or her to KfW and authorised by specimen signatures authenticated by him or her shall represent the Recipient in the execution of this Agreement. The power of representation shall not expire until its express revocation by the representative of the Recipient authorised at the time has been received by KfW.
- 6.2 Amendments or addenda to this Agreement and any notices and statements delivered by the contracting parties under this Agreement shall be in writing. Any such notice or statement shall have been received once it has arrived at the following address of the corresponding contracting party or at such other address of the corresponding contracting party as notified to the other contracting party:

For KfW:

KfW
Attn: LE b/3
Postfach 11 11 41
60046 Frankfurt am Main
Federal Republic of Germany
Fax: +49 69 7431-2944

For the Borrower:

Ministry of Finance
Government of India
Department of Economic Affairs
North Block, New Delhi- 110 001
Fax: +91 - 11 - 2309 2477

Article 7

The Project

- 7.1 The Recipient shall procure by itself and shall procure that the Project Executing Agency
- a) prepares, implements, operates and maintains the Project in conformity with sound financial and engineering practices and substantially in accordance with the Project conception agreed upon between the Recipient and KfW;
 - b) awards the contracts for the goods and services to be financed from the financial contribution upon prior bidding limited to firms domiciled in India according to the regulations of the Government of Odisha;
 - c) maintains, or causes to be maintained, books and records unequivocally showing all costs of goods and services required for the Project and clearly identifying the goods and services financed from this financial contribution;
 - d) enables the representatives of KfW at any time to inspect said books and records and any and all other documentation relevant to the implementation and the operation of the Project, and to visit the Project and all installations related thereto;
 - e) furnishes to KfW any and all such information and reports on the Project and its further progress as KfW may request and
- 7.2 The Project Executing Agency and KfW shall determine the details pertinent to Article 7.1 by the Separate Agreement.
- 7.3 The Recipient and the Project-Executing Agency shall
- a) ensure the full financing of the Project and, upon request, furnish to KfW evidence proving that the costs not paid from this financial contribution are covered and

- b) of their own accord promptly inform KfW of any and all circumstances precluding or seriously jeopardizing the implementation, the operation, or the purpose of the Project.

7.4 The Recipient shall

- a) assist the Project-Executing Agency in conformity with sound engineering and financial practices in the implementation of the Project and in the performance of the Project-Executing Agency's obligations under this Agreement and, in particular, grant the Project-Executing Agency all permissions necessary for the implementation of the Project;

Article 8

Miscellaneous Provisions

- 8.1 The Recipient and the Project-Executing Agency shall ensure that the persons charged by the same with the preparation and implementation of the Project, the award of any contract for the supplies and services to be financed and with requesting disbursements of financial contribution amounts do not demand, assume, render, grant, promise or obtain a promise of unlawful payments or other advantages in connection with these tasks.
- 8.2 If any of the provisions of this Agreement is invalid, all other provisions shall remain unaffected thereby. Any gap resulting there from shall be filled by a provision consistent with the purpose of this Agreement.
- 8.3 The Recipient may not assign or transfer, pledge or mortgage any claims from this Agreement.
- 8.4 This Agreement shall be governed by the law of the Federal Republic of Germany. The place of performance shall be Frankfurt am Main.

8.5 The legal relations established by this Agreement between KfW and the Recipient shall terminate with the end of the useful life of the Project, but not later than 15 years after the signing of this Agreement.

Done in 2 originals in the English language.

Bhubaneswar,
this, 2nd August 2012


KfW

Bhubaneswar,
this 2nd August 2012



INDIA

Ministry of Finance

Department of Economic Affairs

Government of India – New Delhi

for and on behalf of

the President of India