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LOAN NUMBER 3867 - IND  
LOAN NUMBER 8376 - IND (EF)

GUARANTEE AGREEMENT  
(Ordinary Operations)  
(ADB Clean Technology Fund)

(Scaling Up Demand-Side Energy Efficiency Sector Project)

between

INDIA

and

ASIAN DEVELOPMENT BANK

DATED 16 December 2019

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IND 52196-001

**GUARANTEE AGREEMENT  
(Ordinary Operations)**

GUARANTEE AGREEMENT dated 16 December 2019 between INDIA acting by its President ("Guarantor") and the ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) by a Loan Agreement of even date herewith ("Ordinary Operations Loan Agreement") between ADB and the Energy Efficiency Services Limited ("Borrower"), ADB has agreed to make to the Borrower from ADB's ordinary capital resources a loan of two hundred and fifty million Dollars (\$250,000,000) ("Ordinary Operations Loan") on the terms and conditions set forth in the Ordinary Operations Loan Agreement;

(B) by a Loan Agreement of even date herewith ("CTF Loan Agreement", and together with the Ordinary Operations Loan Agreement, the "Loan Agreements") between ADB and the Borrower, ADB, acting in its capacity as an implementing entity of the Clean Technology Fund, has agreed to make to the Borrower from the Clean Technology Fund a loan of forty six million Dollars (\$46,000,000) ("CTF Loan", and together with the Ordinary Operations Loan, the "Loans") on the terms and conditions set forth in the CTF Loan Agreement; and

(C) the Guarantor, in consideration of ADB's entering into the Loan Agreements with the Borrower, has agreed to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto agree as follows:

**ARTICLE I**

Section 1.01. All the provisions of the Ordinary Operations Loan Regulations, dated 1 January 2017, ("Loan Regulations") and the Standard Terms set out in Schedule 1 to the CTF Loan Agreement ("Standard Terms") are hereby made applicable to this Guarantee Agreement with the same force and effect as if they were fully set forth herein subject, however, to the modifications thereof set forth in the Loan Agreements.

Section 1.02. Wherever used in this Guarantee Agreement, the several terms defined in the Loan Agreements, the Loan Regulations and the Standard Terms shall have the respective meanings set forth therein unless the context otherwise requires.

**ARTICLE II**

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Guarantee Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loans, the premium, if any, on the prepayment of the Loans, and the punctual performance of all the covenants and agreements of the Borrower, all as set forth in the Loan Agreements.

Section 2.02. The Guarantor shall not take any action, or permit any of its political subdivisions or agencies or any agency of any such political subdivisions to take any action, which would prevent or interfere with the successful carrying out of the Project or the successful operation of the Project facilities, or the performance by the Borrower of its obligations under the Loan Agreements.

Section 2.03. (a) The Guarantor shall from time to time take such action as may be necessary or appropriate on its part to ensure prompt performance by the Borrower of its obligations under the Loan Agreements.

(b) The Guarantor shall perform all the obligations under the Loan Agreements to the extent that they are applicable to the Guarantor.

Section 2.04. (a) It is the mutual intention of the Guarantor and ADB that no other external debt shall have any priority over the Loans by way of a lien on the assets of the Guarantor. To that end, the Guarantor undertakes (i) that, except as ADB may otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will ipso facto equally and ratably secure the payment of the principal of, and interest and other charges on, the Loans; and (ii) that the Guarantor, in creating or permitting the creation of any such lien, will make express provision to that effect.

(b) The provisions of paragraph (a) of this section shall not apply to (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(c) "The term "assets of the Guarantor" as used in paragraph (a) of this Section includes assets of any political subdivision or any agency of the Guarantor and assets of any agency of any such political subdivision, and of any entity owned or controlled by, or operating for the account or benefit of, the Guarantor or any such political subdivision or agency, including any other institution performing the functions of a central bank for the Guarantor.

**ARTICLE III**

Section 3.01. The Secretary, Additional Secretary, Joint Secretary, Director, or Deputy Secretary, Ministry of Finance, Department of Economic Affairs, of the Guarantor is designated as representative of the Guarantor for the purposes of Section 12.02 of the Loan Regulations.

Section 3.02. The following addresses are specified for the purposes of Section 12.01 of the Loan Regulations:

**For the Guarantor**

The Secretary to the Government of India  
Ministry of Finance  
Department of Economic Affairs  
North Block  
New Delhi – 110001  
India

Facsimile Numbers:

+91 11 2309-4075

**For ADB**

Asian Development Bank  
6 ADB Avenue  
Mandaluyong City  
1550 Metro Manila  
Philippines

Facsimile Numbers:

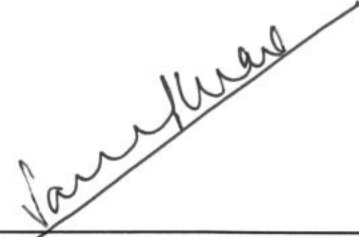
+632 636-2444

+632 636- 2338

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

INDIA

By



\_\_\_\_\_  
Sameer Kumar Khare  
Additional Secretary (FB & ADB)

ASIAN DEVELOPMENT BANK

By



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Kenichi Yokoyama  
Country Director