
INVESTMENT NUMBER 23833

Local Currency Loan Agreement

between

DODSON-LINDBLOM HYDRO POWER PRIVATE LIMITED

and

INTERNATIONAL FINANCE CORPORATION

Dated December 21, 2005

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“IFC”	shall have the meaning set forth in the introduction to this Agreement;
“IHDC”	India Hydropower Development Company, LLC, a limited liability company organized and existing under the laws of the State of Delaware, the United States of America;
“Intercreditor Agreement”	the intercreditor agreement to be entered into among IFC and the Other Senior Lenders;
“Interest Payment Date”	April 15 or October 15 in any year;
“Interest Period”	each period of six (6) months commencing on an Interest Payment Date (or, for the first period applicable to a Disbursement, the period commencing on the date of that Disbursement) and ending on the day immediately before the next following Interest Payment Date;
“Interest Rate Setting Date”	for each Disbursement, the date on which the relevant Disbursement Interest Rate is set pursuant to Section 3.03 (b) (<i>Interest</i>);
“Interest Rate Setting Period”	with respect to a Disbursement Limit Order Notice delivered by the Borrower to IFC in connection with a proposed Disbursement, the period beginning on (and including) the first Local and Washington Business Day following the day on which IFC receives such Disbursement Limit Order Notice and ending on (and including) the earliest of: (i) 5:00 p.m. Washington time on the fifth Local and Washington Business Day immediately following the date of such receipt; (ii) the date on which IFC successfully determines the relevant Disbursement

(b) Each Disbursement shall be made by IFC in the Loan Currency on, unless otherwise agreed between the Borrower and IFC, the second Local Business Day immediately following the relevant Interest Rate Setting Date for credit to the Borrower's account at a bank in Mumbai, India, as specified in the Borrower's request for Disbursement.

(c) Each Disbursement (including the last one) shall be in an amount of not less than one hundred million Indian Rupees (INR 100,000,000).

(d) The Borrower shall deliver to IFC a receipt, substantially in the form of Schedule 3, within five (5) Business Days following each Disbursement.

(e) The Borrower shall, to the extent possible consistent with prudent business practices, request disbursements under this Agreement and under the DEG Loan Agreement on a pro rata basis; provided that the Borrower shall use its best efforts (which shall include requesting disbursements under this Agreement or the DEG Loan Agreement, as the case may be) to ensure that on March 31, 2007 and at the end of each Financial Year thereafter, disbursements under this Agreement and the DEG Loan Agreement shall have been made on a pro rata basis.

Section 3.03. *Interest.* (a) Subject to Section 3.04 (*Default Rate Interest and Other Costs*), the Borrower shall, on each Interest Payment Date, pay interest on the principal amount of the Loan outstanding during the immediately preceding Interest Period at the interest rate specified in paragraph (b) below; provided that, with respect to any Disbursement made less than fifteen (15) days before an Interest Payment Date, interest shall be paid on the second Interest Payment Date following the date of that Disbursement. Interest shall accrue from day to day and be calculated on the basis of a 365-day year for the actual number of days in each Interest Period.

(b) Interest shall be payable on the amount of each Disbursement at the applicable Disbursement Interest Rate. For that purpose, the Disbursement Interest Rate, which shall not exceed the Highest Acceptable Rate for that Disbursement, shall be determined by IFC at any time during the relevant Interest Rate Setting Period, and shall be equal to the Loan Currency interest rate quoted to IFC for Loan Currency/Dollar swap transaction between IFC and an eligible counterparty selected by IFC in its sole discretion, based on:

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