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# Loan Agreement

between

**DODSON-LINDBLOM HYDRO POWER PRIVATE LIMITED**

and

**DEG-DEUTSCHE INVESTITIONS- UND  
ENTWICKLUNGSGESELLSCHAFT MBH**

Dated December 21, 2005

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authority that, after the date of this Agreement, imposes on DEG any condition regarding the making or maintaining of the Loan;

“Increased Costs Certificate”

a certificate provided from time to time by DEG certifying the amount of, and circumstances giving rise to, the Increased Costs;

“Intercreditor Agreement”

the intercreditor agreement to be entered into among DEG and the Other Senior Lenders;

“Interest Determination Date”

for any Interest Period, the second Business Day before the beginning of that Interest Period, or if EURIBOR is determined pursuant to Section 3.03 (b) (ii) (*Interest*), the beginning of that Interest Period;

“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”

for any Interest Period, the rate at which interest is payable on the Loan during that Interest Period, determined in accordance with Section 3.03 (*Interest*);

“KfW Group”

the group consisting of Kreditanstalt für Wiederaufbau (“KfW”), DEG and additional members which are from time to time listed under the website [www.kfw.de](http://www.kfw.de);

“Lenders’ Engineer”

Lahmeyer International (India) Pvt. Ltd. or such other engineering company acceptable to DEG (which acceptability shall be determined after consultation with the Borrower);

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 IFC 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 IFC Loan Agreement shall have been made on a pro rata basis.

Section 3.03. Interest. (a) Subject to Section 3.04 (*Default Rate Interest*), 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 per annum rate which is the sum of two and three quarters per cent (2.75%) and EURIBOR on the Interest Determination Date for one, two, three or six months (whichever period is closest to the duration of the relevant Interest Period). Interest shall accrue from day to day and be calculated on the basis of a 360-day year for the actual number of days in each Interest Period.

(b) If for any reason EURIBOR cannot be determined from the Telerate Service, DEG will make such determination by calculating the arithmetic mean of the offered rates for deposits or, in the case of sub-paragraph (ii) below, loans in the Loan Currency advised to DEG on the relevant Interest Determination Date (and otherwise in accordance with Section 3.03 (a)), either:

- (i) on or around 11:00 a.m. CET, by any four (4) major banks active in the Euro-zone interbank market selected by DEG; provided, however, that if less than four quotations are received, DEG may rely on the quotations so received if not less than two (2); or
- (ii) if less than two (2) such quotations are received, on or around 11:00 a.m. CET, by any major bank or banks active in the Euro-zone interbank market selected by DEG.

Section 3.04. Default Rate Interest and Other Costs. (a) Without limiting the remedies available to DEG under this Agreement or otherwise (and to the maximum extent permitted by applicable law), if the Borrower fails to make any payment of principal or interest (including interest payable pursuant to this Section) or any other payment provided for in Section 3.08 (*Fees*) when due as specified in this Agreement (whether at stated maturity or upon acceleration), the Borrower shall pay interest on the amount of that payment due and unpaid at the rate which shall be the sum of two per cent (2%) per annum and the Interest Rate in effect from time to time.

(b) Interest at the rate referred to in Section 3.04 (a) shall accrue from the date on which payment of the relevant overdue amount became due until the

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