



INDIA RESIDENT MISSION

17 July 2017

Mr. Anil Jain  
Executive Director  
Power Grid Corporation of India Limited  
'SAUDAMINI' Plot No. 2, Sector-29  
Gurgaon – 122001  
Haryana

Dear Mr. Jain:

**Subject: Loan 3365-IND: Green Energy Corridor and Grid Strengthening Project  
Amendment to the Loan Agreement**

1. Reference is made to the Loan Agreement ("Loan Agreement") dated 23 February 2017 between Power Grid Corporation of India Limited ("Borrower") and the Asian Development Bank ("ADB") guaranteed by India ("Guarantor") as amended to date for the referred Project. This letter for amendment relates to change in the scope of the Project.

2. In this regard we refer to the letter from India to ADB dated **20 June 2017** endorsing the request of the Borrower requesting the inclusion of an additional component in the description of the Project, to be jointly financed with the Asian Infrastructure Investment Bank ("AIIB") as discussed below.

Change in the scope of the Project

3. This request was examined and approved by ADB. Consequently in order to make this amendment effective the Loan Agreement is require to be amended which is indicated in the Annexure attached hereto and forms part and parcel of this letter.

4. Kindly indicate your agreement to the amendment by obtaining countersignatures of the Guarantor and further countersigning yourself, all three originals of the Annexure hereto in the appropriate spaces provided. Please return one original signed amendment to ADB. One signed original may each be retained for your records and for that of the Guarantor. The proposed amendment will be effective as of the date ADB receives the amendment duly countersigned on behalf of the Borrower and the Guarantor.

**ASIAN DEVELOPMENT BANK**  
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5. Please also note that in accordance with ADB's Public Communications Policy ("PCP") on disclosure and exchange of information, any amendment to the Loan Agreement will automatically be publicly disclosed within 2 weeks after its effectiveness, unless ADB is advised by return mail by the Borrower that the amendment contains any information or data of a sensitive or confidential nature falling under the PCP exceptions.

Yours sincerely,

*K. Yokoyama*  
Kenichi Yokoyama  
Country Director *KB*

cc: Mr. Rishikesh Singh, Director (MI), DEA-MOF  
Mr. K. Nagraj Bhat, Deputy General Manager, PGCIL

Attachments:

1. Annexure on amendment as stated
2. Draft Memorandum of Understanding between Asian Development Bank and Asian Infrastructure Investment Bank

**ANNEXURE ON AMENDMENT****Loan 3365-IND: Green Energy Corridor and Grid Strengthening Project  
Amendment to the Loan Agreement**

WHEREAS this refers to the Loan Agreement 23 February 2017 for the cited Project between Power Grid Corporation of India Limited ("Borrower") and the Asian Development Bank ("ADB") guaranteed by India ("Guarantor") as amended to date.

WHEREAS upon request of India dated **20 June 2017** endorsing the request of the Borrower and approval of the same by ADB dated **28 June 2017**, the Loan Agreement is amended as follows:

1. Schedule 1 paragraph 2 Section B of the Loan Agreement is revised and replaced by the following Section B:

**"B. Expansion of transmission interconnection capacity between the western and southern regions including construction of:**

- (a)  $\pm 800$  kV HVDC terminal stations at Raigarh, Chhattisgarh and Pugalur, Tamil Nadu; and
- (b)  $\pm 320$  kV VSC-HVDC power transmission systems between Pugalur, Tamil Nadu and North Trichur, Kerala.
- (c) 400 kV AC power transmission systems associated with HVDC terminal stations at Pugalur, Tamil Nadu."

2. Schedule 3 paragraph 2 is revised and replaced by the following:

"2. (a) Subject to sub-paragraph (b) below, ADB may finance eligible expenditures incurred for Goods and Works under the Project up to 100% of every claim it receives, as long as sufficient undisbursed loan amounts remain. If the remaining amount is not sufficient to cover 100% of the claim, only the remaining amount will be disbursed.

(b) In relation to disbursement for expenses associated with Schedule 1 paragraph 2 Section B (c) (the Co-financed project) of this Amendment, the following shall apply:

- (i) The Borrower shall follow the disbursement arrangement as per the memorandum of understanding to be entered into between AIIB and ADB for the implementation of the Co-financed Project;
- (ii) The Borrower shall use AIIB financing only to finance expenses related to the Co-financed Project at the ratio as provided at b(i) above and shall continue to finance the rest of the Projects using ADB financing and financing from its own sources;

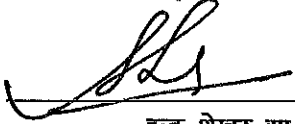
- (iii) The Borrower shall allocate an amount of up to fifty million dollars (\$50,000,000) for the Co-financed Project.

All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreement, unless the context requires otherwise. Save and except to the extent set out above, the Loan Agreement remains unchanged.

The Borrower confirms that the amendment does not contain any information or data of a sensitive or confidential nature falling under the ADB's Public Communications Policy exceptions.

This amendment shall be effective as of the date of receipt by ADB of this amendment duly signed from India and the Borrower.

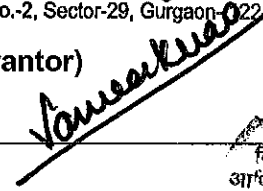
**For Power Grid Corporation of India Limited**

Name:   
 Designation: इन्दु शेखर झा/I. S. JHA  
 अध्यक्ष एवं प्रबंध निदेशक/Chairman & Managing Director  
 पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड  
 Power Grid Corporation of India Ltd.  
 (भारत सरकार का उद्यम/A Govt. of India Enterprise)  
 Date: प्लॉट सं०-2, सेक्टर-29, गुडगांव-122 001 (हरियाणा)  
 Plot No.-2, Sector-29, Gurgaon-122 001 (Haryana)

**For ADB**

Name: K. Gokuyama  
 Designation: Country Director  
India Resident Mission  
 Date: 17 July 2017

**For India (Guarantor)**

Name:   
 Designation: संयुक्त सचिव / Joint Secretary  
वित्त मंत्रालय/Ministry of Finance  
आर्थिक कार्य विभाग/Deptt. of Eco. Affairs  
भारत सरकार/Govt. of India  
नई दिल्ली/New Delhi  
 Date: 28/07/2017