Dear Sir:

Re: Tamil Nadu Road Sector Project (Loan No.4706-IN)
Amendment to the Loan and Project Agreement – Additional Financing Loan No.7865-IN

We refer to the Loan Agreement dated August 28, 2003 (the “Loan Agreement”) between India (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”), and the Project Agreement of even date (the “Project Agreement”) between the Bank and the State of Tamil Nadu (“Tamil Nadu”) (the “Project Implementing Agency”) for the above-referenced Project (the “Project”), as both subsequently amended on March 27, 2009. We also refer to the letter from the Government of India dated June 18, 2009, requesting the Bank to provide additional financing to finance cost overrun in the Project, and to subsequent discussions between representatives of the Bank, Borrower and Tamil Nadu related to the additional financing.

We are pleased to inform you that the Bank has agreed with your request. Accordingly, the Loan and Project Agreement are proposed to be amended as follows:

Amendment of the Loan Agreement

1. The top right corner of the front page and the top right corner of the first page of the Loan Agreement are amended to read as follows:

   “LOAN NUMBER 4706-IN
   LOAN NUMBER 7865-IN.”

2. Section 1.02 is amended to include, in alphabetical order, the following additional terms and definitions:

   (a) “Additional Loan” means the loan in the amount of fifty million seven hundred thousand Dollars, referred to in Section 2.01(b) of this Agreement;
3. Section 2.01 is amended to read as follows:

“The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Loan Agreement:

(a) an amount equal to three hundred forty eight million Dollars ($348,000,000) (the “Original Loan”); and

(b) an amount equal to fifty million seven hundred thousand Dollars ($50,700,000) (the “Additional Loan”).”

4. In Section 2.03, the Closing Date is amended to read “March 31, 2012”.

5. Section 2.04 is amended to read as follows: “The Borrower shall pay to the Bank a front-end fee in an amount equal to one percent (1%) of the amount of the Original Loan, and a front-end fee in an amount equal to one quarter of one percent (0.25%) of the amount of the Additional Loan.”

6. Section 2.05 is amended to read as follows: “The Borrower shall pay to the Bank a commitment charge at the rate of three-fourth of one percent (3/4 of 1%) per annum on the principal amount of the Original Loan not withdrawn from time to time.”
7. Section 2.06 is amended by replacing the term “Loan” with the term “Original Loan” wherever the term “Loan” appears in Section 2.06.

8. The following new Section 2.07 is added:

   “Section 2.07. The interest payable by the Borrower on the principal amount of the Additional Loan withdrawn and outstanding from time to time for each Interest Period (as defined in the ‘International Bank for Reconstruction and Development General Conditions or Loans’, dated July 1, 2005 (as amended through February 12, 2008)) (the ‘2008 General Conditions’) shall be at a rate equal to LIBOR (as defined in the 2008 General Conditions) for the Dollar plus the Variable Spread (as defined in the 2008 General Conditions). Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance (as defined in the 2008 General Conditions) remains unpaid when due and such non-payment continues for a period of thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02(d) of the 2008 General Conditions.”

9. Section 2.07 and Section 2.08 are renumbered as Section 2.08 and Section 2.09, respectively.

10. SCHEDULE 1

   The table in Part A, paragraph 1 is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Original Loan Allocated (Expressed in Dollars)</th>
<th>Amount of the Additional Loan (Expressed in Dollars)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Civil works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) under Parts A.1 and B</td>
<td>309,170,000</td>
<td>45,453,250</td>
<td>80%</td>
</tr>
<tr>
<td>of the Project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) under Part A.3(c) of</td>
<td>3,100,000</td>
<td>60,000</td>
<td>90%</td>
</tr>
<tr>
<td>the Project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Goods</td>
<td>3,660,000</td>
<td>40,000</td>
<td>100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 80% of local expenditures for other items procured locally</td>
</tr>
</tbody>
</table>
3. (a) Consultants’ Services
   19,450,000 5,020,000  90%
(b) NGO-provided services and training under Part A.3(a) of the Project
   2,480,000 0  100%

4. Subprojects
   6,660,000 0  100% of amount paid by Tamil Nadu

5. Fee
   3,480,000 126,750 Amounts due Section 2.04 of this Agreement

   TOTAL 348,000,000 50,700,000

11. SCHEDULE 2
    The last sentence of Schedule 2 is amended to read as follows: “The Project is expected to be completed by December 2011.”

12. SCHEDULE 3
    The existing Amortization Schedule heading is amended to read “Amortization Schedule for the Original Loan.”

    An additional Amortization Schedule is added to Schedule 3 as follows, under the heading Amortization Schedule for the Additional Loan:

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15 Beginning September 15, 2015 through March 15, 2035</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

Amendment of the Project Agreement

13. The top right corner of the front page and the top right corner of the first page of the Project Agreement are amended to read as follows:

   “LOAN NUMBER 4706-IN
    LOAN NUMBER 7865-IN.”
14. The Whereas paragraph (A) is amended to read as follows:

“WHEREAS (A) by the Loan Agreement dated August 28, 2003, between India (the Borrower) and the Bank, the Bank has agreed to make a loan to the Borrower in the amount of three hundred forty eight million Dollars ($348,000,000) (the Original Loan), and by an amendment to the Loan Agreement, the Bank has agreed to make an additional loan to the Borrower in the amount of fifty million seven hundred thousand Dollars ($50,700,000) (the Additional Loan), on terms and conditions set forth in the Loan Agreement, but only on condition that Tamil Nadu agree to undertake such obligations towards the Bank as are set forth in this Agreement.”

15. Section 2.1(b) is amended to read as follows:

“Without limitation upon the provisions of paragraph (a) of this section and except as the Bank and Tamil Nadu shall otherwise agree, Tamil Nadu shall carry out the Project in accordance with the Implementation Program set forth in Schedule 2 to this Agreement, the relevant EMP/RU, the EMP/RS, the ERMP/RM, the RAP, and, with respect to activities financed by the Additional Loan, the GAAP.”

SCHEDULE 1

16. The Heading of Schedule 1 is amended to read “Procurement Financed by the Original Loan”, and a new Annex is added to Schedule 1 (Procurement), to read follows:

“Procurement Financed by the Additional Loan

A. General

1. Goods and Works. All goods, works and Non-Consultant services required for the Project and to be financed out of the proceeds of the Additional Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines (2006), and with the provisions of this Annex.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Additional Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines (2006) and with the provisions of this Schedule.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines (2006), or Consultant Guidelines (2006), as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-Consultant Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, Goods, Works and Non-Consultant services shall be procured under contracts awarded on the basis of International Competitive Bidding procedures.

2. Other Methods of Procurement of Goods, Works and Non-Consultant Services. The following table specifies the methods of procurement, other than International...
Competitive Bidding, which may be used for Goods, Works and Non-Consultant services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, and the additional provisions agreed between the Borrower and the Bank</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) BOT Contract</td>
</tr>
<tr>
<td>(e) Force Account</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies the methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(b) Least Cost Selection</td>
</tr>
<tr>
<td>(c) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Single-source Selection</td>
</tr>
<tr>
<td>(e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Sole Source Procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Quality Based Selection</td>
</tr>
</tbody>
</table>

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.”
SCHEDULE 2

17. A new paragraph 20 is added to read as follows:

“20. Tamil Nadu shall ensure that the activities financed by the Additional Loan shall be carried out in accordance with the terms and conditions set forth in the GAAP.”

Additional instructions related to disbursements are as stated in the enclosed disbursement letter.

Unless the context otherwise requires and except where otherwise defined in this amendment letter, all capitalized terms contained herein shall have the meanings given to them in the Loan Agreement and the Project Agreement. All the terms and conditions of the Agreements that have not been amended hereby shall remain unchanged and in full force and effect.

This letter of amendment shall become effective upon receipt by the Bank of one fully executed original of this amendment letter, and of a satisfactory legal opinion from each the Borrower and Tamil Nadu, which opinions shall confirm that this amendment letter has been duly authorized or ratified by, and executed and delivered on behalf of the Borrower and Tamil Nadu, and is legally binding on the Borrower and Tamil Nadu in accordance with its terms.

Please confirm your agreement to the amendments proposed above by counter signing and dating each of the three originals of this letter of amendment, and returning one fully countersigned letter to us. One original should be kept by the Borrower and the one original should be kept by Tamil Nadu for their respective records.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

/s/ Preeti Kudesia
Preeti Kudesia
Authorized Representative

AGREED:
INDIA
By: /s/ Anup K. Pujari
Name: Anup K. Pujari
Title: Joint Secretary
Date: July 6, 2010

AGREED:
STATE OF TAMIL NADU
By: /s/ Thiru G. Santhanam
Name: Thiru G. Santhanam
Title: Secretary to Government
Date: July 6, 2010
Enclosures: