Mr. Tarun Bajaj  
Joint Secretary (Multilateral Institutions)  
Department of Economic Affairs  
Ministry of Finance, Government of India  
Room No 40-B, North Block  
New Delhi – 110001  
India

Dear Mr. Bajaj:

India: Coal-Fired Generation Rehabilitation Project  
(Loan No. 7687-IN and GEF Grant No. TF094676-IN)  
Amendment to Loan Agreement and Performance Monitoring Indicator Letter

We refer to: (i) the Loan Agreement, dated December 17, 2009, between India (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above-referenced project (the Project) (the Loan Agreement); (ii) the Global Environment Facility (GEF) Grant Agreement of the same date between India and the Bank, acting as an implementing agency of the GEF (the GEF Grant Agreement); (iii) the letter of the same date from the Borrower to the Bank regarding performance monitoring indicators (PMI), agreed further to Section II.A of Schedule 2 to the Loan Agreement (the Borrower PMI Letter); (iv) the Project Agreement of the same date among the Bank, acting in its own capacity and as an implementing agency of the GEF, State of Haryana, and Haryana Power Generation Corporation Limited (HPGCL) (the HPGCL Project Agreement); (v) the letter of the same date from HPGCL to the Bank regarding PMI, agreed further to Section II.A of the Schedule to the HPGCL Project Agreement (the HPGCL PMI Letter); (vi) the Project Agreement of the same date among the Bank, acting in its own capacity and as an implementing agency of the GEF, State of Maharashtra, and Maharashtra State Power Generation Company Limited (MSPGCL) (the MSPGCL Project Agreement); (vii) the letter of the same date from MSPGCL to the Bank regarding PMI, agreed further to Section II.A of the Schedule to the MSPGCL Project Agreement (the MSPGCL PMI Letter); (viii) the Project Agreement of the same date among the Bank, acting in its own capacity and as an implementing agency of the GEF, State of West Bengal, and West Bengal Power Development Corporation Limited (WBPDCL) (the WBPDCL Project Agreement); and (ix) the letter of the same date from WBPDCL to the Bank regarding PMI, agreed further to Section II.A of the Schedule to the WBPDCL Project Agreement (the WBPDCL PMI Letter).

We also refer to the letters, dated December 16, 2012 and September 12, 2013, from your department, requesting certain amendments to the Loan Agreement, as well as recent discussions between the Borrower and the Bank relating to certain amendments to the HPGCL Project Agreement, the WBPDCL Project Agreement, and the MSPGCL Project Agreement.

October 14, 2014
We are pleased to inform you that the Bank concurs with the requests, and the Loan Agreement is amended as set forth below subsequent to the requests and the above-mentioned discussions, as well as in order to clarify certain matters.

The description of Component 1 in Schedule 1 is amended to read as follows:

“Component 1.  Energy Efficiency Renovation and Modernization Pilots

Renovation and modernization of approximately 420 MW of old coal-fired power generation capacity of the Participating Utilities, specifically: (a) Unit-5, Bandel Thermal Power Plant of WBPDCL (210 MW); and (b) Unit-6, Koradi Thermal Power Plant of MSPGCL (210 MW); (c) [Deleted and Intentionally Left Blank], all to demonstrate energy-efficient rehabilitation approaches.”

1. Section II.A of Schedule 2 is amended to read as follows (emphasis added):

“A. Project Reports

The Borrower shall cause the Participating Utilities and the CEA to monitor and evaluate the progress of their Respective Parts of the Project and prepare Project Reports for their Respective Parts of the Project in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators set forth in the respective PIP or the CEA Operational Manual, as applicable. Each Project Report shall cover the period of one (1) Fiscal Year quarter, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report, except that during the unit shutdown period for renovation and modernization, reporting by the Participating Utilities shall be more frequent, as may be mutually agreed upon by the Bank and the Participating Utilities.”

2. Section II.B.3 of Schedule 2 is amended to read as follows (emphasis added):

“3. The Borrower shall cause the Participating Utilities and the CEA to prepare and furnish to the Bank not later than forty-five (45) days after the end of each Fiscal Year quarter, interim unaudited financial reports for their Respective Parts of the Project, covering the quarter, in form and substance satisfactory to the Bank.”

3. Section III.A.1 of Schedule 2 is amended to read as follows (emphasis added):

“1. Goods, Works, and Non-consulting Services. All goods, works, and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.”
4. Section III.B of Schedule 2 is amended to read as follows (emphasis added):

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

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods, Works, and Non-consulting Services. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works, and non-consulting 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, subject to the additional provision set forth in the Procurement Plan</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

5. The table in Section IV.A.2 of Schedule 2 is amended to read as set forth in the Annex to this amendment letter (emphasis added).

6. New paragraphs 26 and 27 reading as follows are introduced in the Appendix, and the subsequent paragraphs are renumbered accordingly:

“26. “Project Implementing Entities” means, collectively, the Participating Utilities and the Project States (as hereinafter defined).”

“27. “Respective Part of the Project” means, in respect of: (i) CEA, Component 2 (d) of the Project; (ii) in respect of HPGCL, Components 1 (c) and 2 (c) of the Project; (iii) in respect of MSPGCL, Components 1 (b) and 2 (b) of the Project; and (iv) in respect of WBPDC, Components 1 (a) and 2 (a) of the Project.”

7. The Borrower PMI Letter is deleted in its entirety.

All other provisions of the Loan Agreement, except as amended herein, remain unchanged.
Please confirm your agreement to the foregoing by signing the form of confirmation set forth below, and returning one fully executed original of this amendment letter to us and retaining one original for your records. This amendment letter shall become effective as of the date of the last countersignature of the four amendment letters (including this one) prepared further to the above-mentioned requests and discussions, upon receipt by the Bank of: (a) a duly countersigned original of this amendment letter; (b) a duly countersigned original of the amendment letter to the HPGCL Project Agreement; (c) a duly countersigned original of the amendment letter to the MSPGCL Project Agreement; and (d) a duly countersigned original of the amendment letter to the WBPDCL Project Agreement.

Yours sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting in its own capacity and
as an Implementing Agency of the GEF

Onno Ruhl
Country Director, India
South Asia Region

AGREED
INDIA

By: 

Name: TARUN BAJAJ
Title: Secretary
Date: 08/01/2014
cc: Mr. Mukesh Nandan Prasad, Executive Director (India), World Bank
Mr. Manoj Pant, Senior Advisor to Executive Director (India), World Bank
Mr. Brijesh Pandey, Deputy Secretary, DEA, Ministry of Finance
Mr. S.G. Dastidar, Controller of Aid Accounts & Audit, DEA, Ministry of Finance
Mr. Mukesh Jain, Joint Secretary (Thermal), Ministry of Power
Ms. Neerja Mathur, Chairperson, Central Electricity Authority
Ms. Shakuntla Jakhu, Chief Secretary, Haryana
Mr. Devender Singh, Principal Secretary, Power Department, Haryana
Mr. M. K. V. Rama Rao, Managing Director, Haryana Power Generation Corporation Limited
Mr. Swadheen Kshatriya, Chief Secretary, Maharashtra
Mr. Ajoy Mehta, Principal Secretary, Industry, Energy, and Labour Department, Maharashtra
Mr. Asheesh Sharma, Managing Director, Maharashtra State Power Generation Company Limited
Mr. Sanjay Mitra, Chief Secretary, West Bengal
Mr. Gopal Krishna, Additional Chief Secretary, West Bengal
Mr. Durgadas Goswami, Chairman and Managing Director, West Bengal Power Development Corporation Limited
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, and non-consulting services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) for Component 1 (a) of the Project on or after March 19, 2010</td>
<td>76,860,000</td>
<td>16,280,000</td>
<td></td>
</tr>
<tr>
<td>(b) for Component 1 (b) of the Project on or after March 19, 2010</td>
<td>58,850,000</td>
<td>12,450,000</td>
<td>74</td>
</tr>
<tr>
<td>(c) for Component 1 (c) of the Project prior to the date of effectiveness of this amendment letter (such date to be determined in accordance with the provisions of the last paragraph of this amendment letter)</td>
<td>0</td>
<td>9,170,000</td>
<td></td>
</tr>
<tr>
<td>(2) Consultants’ services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) for Component 2 (a) of the Project</td>
<td>0</td>
<td>1,300,000</td>
<td></td>
</tr>
<tr>
<td>(b) for Component 2 (b) of the Project</td>
<td>0</td>
<td>3,300,000</td>
<td>100</td>
</tr>
<tr>
<td>(c) for Component 2 (c) of the Project</td>
<td>0</td>
<td>1,100,000</td>
<td></td>
</tr>
<tr>
<td>(d) for Component 2 (d) of the Project</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>450,000</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in</td>
</tr>
<tr>
<td>(4) Premia for Interest Rate Caps and Interest Rate Collars</td>
<td>0</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07(c) of this Agreement in accordance with Section 4.05(c) of the General Conditions</td>
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<tr>
<td>-----------------------------------------------------------</td>
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</tr>
<tr>
<td>(5) Cancellation as of June 11, 2014</td>
<td>43,840,000</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07(c) of this Agreement in accordance with Section 4.05(c) of the General Conditions</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>180,000,000</strong></td>
<td><strong>45,400,000</strong></td>
<td><strong>accordance with Section 2.07(b) of the General Conditions</strong></td>
</tr>
</tbody>
</table>