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

Dear Mr. Bajaj:

**Financing Energy Efficiency at Micro, Small, and Medium-sized Enterprises (MSMEs) Project (TF097126)**

**Letter of Amendment to the India Grant Agreement and Cancellation by the Bank**

I refer to the Grant Agreement between the International Bank for Reconstruction and Development ("World Bank"), acting as an Implementing Agency of the Global Environment Facility ("GEF"), and India ("Recipient") for the Financing Energy Efficiency at MSMEs Project ("Project"), dated September 13, 2010 (the "India Grant Agreement") and to the Grant Agreement between the World Bank and the Small Industries Development Bank of India ("SIDBI" or "Recipient") for the Project, of even date (the "SIDBI Grant Agreement") (collectively, the "Grant Agreements").

I also refer to:

(i) your letter dated March 14, 2014, requesting amendments to the Grant Agreements, and

(ii) the letter dated December 5, 2014 from the Bureau of Energy Efficiency, Ministry of Power of the Recipient, with copy to the Department of Economic Affairs, regarding the partial cancellation by the Bank of the Grant amount to be extended to SIDBI to support the implementation of an additional sub-component under the SIDBI Grant Agreement.

I am pleased to inform you that, after due consideration, the World Bank proposes to amend the India Grant Agreement as follows:

1. Paragraph 1 of Part B of Schedule 1 is amended to read as follows:

   "Provision of technical advisory services for the development of an initial pipeline of approximately 600 sub-projects in the energy areas, and provision of sub-grants therefor."

2. A new paragraph 3 is added in Part B of the Project (Schedule 1, Project Description) to read as follows:

   "3. Provision of loans, through a revolving fund facility, to support energy efficiency investments."

3. Paragraph 2 of Section II.A of Schedule 2 is amended to read as follows:
“The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.”

4. Paragraph 8 of the Appendix is amended to read as follows:

“MoEFCC” means India’s Ministry of Environment, Forest & Climate Change, or any successor thereto.

5. Wherever it appears in the India Grant Agreement, the acronym “MoEF” is replaced with “MoEFCC”.

Except as specifically amended by this letter of amendment, all other provisions of the India Grant Agreement shall remain unchanged and in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by countersigning and dating the corresponding form of confirmation set forth below, and returning one fully signed original of this letter to us.

Upon receipt by the World Bank of the copy of this letter of amendment duly countersigned by the authorized representative of the Recipient, the above amendments to the India Grant Agreement shall become effective as of the date of countersignature.

As you are aware, the Project has accrued savings which the Bank has agreed to extend to SIDBI to support the implementation of an additional sub-component under the SIDBI Grant Agreement. Therefore, pursuant to Section 4.03(b) of the Standard Conditions, the World Bank hereby cancels, effective as of the date of countersignature of this letter of amendment, the amount of five hundred and fifteen thousand United States dollars (US$515,000) from the Grant Account. The revised withdrawal schedule, which indicates the amount now allocated to each of the categories set forth in the table in paragraph 2, Section IV.A of Schedule 2 to the India Grant Agreement, is attached.

Sincerely yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
acting as an Implementing Agency of the Global Environment Facility

Michael Haney
Acting Country Director, India
South Asia Region

AGREED:
INDIA

Authorized Representative

Name: Mr. Tarun Bajaj
Title: Joint Secretary, Ministry of Finance
Date: 05/01/2015
Financing Energy Efficiency at Micro, Small, and Medium-sized Enterprises (MSMEs) Project, TF097126
Revised Withdrawal Schedule

The table set forth in paragraph 2, Section IV.A of Schedule 2 now reads as follows:

<table>
<thead>
<tr>
<th>Category</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) Training and services under Parts A4, A5, C and D1 of the Project</td>
<td>1,591,978</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Incremental Operating Costs under Parts A4, A5, C and D1 of the Project</td>
<td>143,022</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Amount</strong></td>
<td><strong>1,735,000</strong></td>
<td></td>
</tr>
<tr>
<td>Cancellation as of the date of countersignature of this letter of amendment</td>
<td>515,000</td>
<td></td>
</tr>
<tr>
<td>Original Grant Amount</td>
<td>2,250,000</td>
<td></td>
</tr>
</tbody>
</table>