Mr. Venu Rajamony  
Joint Secretary, Multilateral Institutions Division  
Department of Economic Affairs (DEA)  
Ministry of Finance, Government of India (GoI)  
New Delhi – 110 001

Mr. Sushil Muhnot  
Chairman and Managing Director  
Small Industries Development Bank of India (SIDBI)  
C-11, G Block, Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051

Dear Mr. Rajamony and Mr. Muhnot:

INDIA: Scaling Up Sustainable and Responsible Microfinance Project  
(IBRD Loan No. 7923 and IDA Credit No. 4754)  
- Amendments to Loan Agreement and Financing Agreement

We refer to the Loan Agreement and Project Agreement, each between the International Bank for Reconstruction and Development (the Bank) and the Small Industries Development Bank of India (SIDBI), and the Financing Agreement between the International Development Association (the Association) and India, all dated July 9, 2010 for the above-referenced project. We also refer to your letter dated March 2, 2012 on the proposed amendments and our discussions during the last implementation support mission on this matter.

We are pleased to inform you that the Bank and the Association have agreed to amend the Financing Agreement and Loan Agreement.

1. Schedule 1, paragraph II of the Financing Agreement is amended with the addition of the following sentence at the end of the paragraph: “Technical assistance support to microfinance sector associations such as Sa-Dhan and the Microfinance Institutions Network for undertaking responsible microfinance activities, based on a work program that is agreed in advance with the Association.”

2. Schedule 1, paragraph II of the Loan Agreement is amended with the addition of the following sentence at the end of the paragraph: “Technical assistance support to microfinance sector associations such as Sa-Dhan and the Microfinance Institutions Network for undertaking responsible microfinance activities, based on a work program that is agreed in advance with the Bank.”

3. The table in paragraph A.2 of Section IV of the Financing Agreement is amended as follows.

March 29, 2012
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Eligible Investments under Component I of the Project: Sub-Loans</td>
<td>61,112,250</td>
<td>90% of amounts disbursed under the Sub-loan Agreements</td>
</tr>
<tr>
<td>(2) Goods, works, consultants' services, Incremental Operating Costs, and Training under Components II and III of the Project</td>
<td>4,787,750</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>65,900,000</td>
<td></td>
</tr>
</tbody>
</table>

All other terms and conditions of the Financing Agreement and the Loan Agreement, except as amended hereby, shall remain in full force and effect.

Please confirm your agreement to the foregoing by countersigning each of the four originals of this letter of amendments, and returning to us one fully countersigned letter of amendments. One original should be retained by the Government of India (DEA), one by the Department of Financial Services (DFS) and one by SIDBI. The countersigned letter of amendments shall become effective as of January 2, 2012, once they have been fully executed by all parties thereto.

Yours sincerely,

Hubert Nove-Josserand
Acting Country Director, India

AGREED:

INDIA

By ____________________________
Authorized Representative

Date: 29th March, 2012

AGREED:

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

By ____________________________
Authorized Representative

Date: 11th April, 2012
cc: Mr. D.K. Mittal, Secretary, Department of Financial Services (DFS)  
Mr. Anurag Jain, Joint Secretary, DFS, Ministry of Finance, Gol  
Mr. N.K. Maini, Deputy Managing Director, SIDBI  
Dr. Tarsem Chand, Director, DFS, Ministry of Finance, Gol  
Mr. Sanjeev Kaushik, Director, DEA, Ministry of Finance, Gol  
Mr. P.K. Saha, Chief General Manager, SIDBI