November 18, 2015

Mr. Raj Kumar  
Joint Secretary (MI)  
Department of Economic Affairs  
Ministry of Finance  
Government of India  
New Delhi

Mr. Adesh Sharma  
Managing Director  
Dedicated Freight Corridor Corporation of India Ltd.  
Pragati Maidan Building Complex  
5th Floor  
Pragati Maidan, New Delhi, 110 001

Dear Mr. Kumar and Mr. Sharma:

**INDIA: Eastern Dedicated Freight Corridor – I Project (Loan No. 8066-IN)**  
**Letter of Amendment – Project Restructuring**

I refer to: (i) the loan agreement between India (the “Borrower”) and the International Bank of Reconstruction and Development (the “Bank”) dated October 27, 2011 (“Loan Agreement”); and (ii) the project agreement of the same date between the Association and the Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL) (the “Project Agreement”), executed for purposes of financing the Eastern Dedicated Freight Corridor – I Project (the “Project”).

I also refer to the Department of Economic Affairs’ letter dated April 15, 2015, on behalf of the Borrower and DFCCIL, requesting the Bank to consider the restructuring of the Project, and the amendment of the Loan Agreement in order to: (i) expand Project activities to include the construction of the 47 km Khurja-Dadri section of the Eastern Dedicated Freight Corridor; (ii) adjust the Project’s development objective and key performance indicators accordingly; and (iii) retroactively increase the percentage of expenditures eligible to be financed out of the Bank’s loan.

I am pleased to inform you that, after due consideration, the Bank has agreed to your restructuring request, and proposes to hereby amend the Loan Agreement as follows:

1. The Project’s development objective set forth in the first paragraph of Schedule 1 to the Loan Agreement shall read:

   “The objectives of the Project are to: (i) provide additional rail transport capacity, improved service quality and higher freight throughput on the Khurja-Kanpur section and the Khurja-Dadri section of the Eastern rail corridor; and (b) develop the institutional capacity of DFCCIL to build and maintain the DFC infrastructure network.”

2. Part 1 of the Project description contained in Schedule 1 to the Loan Agreement shall read:
“Part I. Design, Construction and Commissioning of the Khurja-Kanpur and Khurja Dadri Sections of the Eastern Rail Corridor.”

Design, construction and commissioning of approximately 343 km Khurja-Kanpur and 47 km Khurja-Dadri of double track electrified railway sections of the Eastern DFC, including consultancy services under this Part I of the Project.”

3. A new sub-section G is added at the end of Section I of Schedule 2 to the Loan Agreement which shall read:

“The Borrower, through MOR, shall ensure that all Displaced Persons awarded compensation on or after January 1, 2015 shall be appropriately compensated, resettled and/or provided rehabilitation assistance as per the relevant provisions of the Borrower’s Right to Fair Compensation and Transparency in Land Acquisition and Resettlement and Rehabilitation Act (2013) (“RFCT-LARR”). In the event that any Displaced Persons have been awarded compensation/resettlement assistance after such date in a manner or amount inconsistent with the entitlement matrix approved by the MOR in May 2015 in line with the RFCT-LARR, the Borrower shall, through MOR, pay to such Displaced Persons, or provide them with, any supplementary amounts and/or rehabilitation assistance required to compensate such Displaced Persons for any differences between the RFCT-LARR prescribed entitlements and those actually awarded after January 1, 2015.”

4. The table in Section IV of Schedule II to the Loan Agreement shall read:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services and Training under Part 1 of the Project</td>
<td>919,562,500</td>
<td>80%</td>
</tr>
<tr>
<td>(2) Goods, consultants services and Training under Part 2 of the Project</td>
<td>50,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Refund of the Preparation Advance</td>
<td>3,000,000</td>
<td>Amount payable pursuant to Section 2.07(a) of the General Conditions</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>2,437,500</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07(b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Premia for Interest Rate Cap or Interest Rate Collar</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>TOTAL AMOUNT</td>
<td>975,000,000</td>
<td></td>
</tr>
</tbody>
</table>
5. Definition #4 and #16 set forth in the Appendix to the Loan Agreement shall read:


[...]


6. Finally, the target value of the following two key performance monitoring indicators agreed between the Borrower, the Bank and DFCCIL pursuant to Section II.A of Schedule 2 to the Loan Agreement and Section II.A.1 of the Schedule to the Project Agreement shall be revised as follows

(a) DFC Freight traffic (GTKM bn ton) 50.1 in year 2021-22

(b) DFC Freight traffic (NTKM bn ton-km) 32.5 in year 2021-22

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

These proposed revisions shall become effective as of the date of the last countersignature, upon receipt by the Bank of a duly countersigned original.

Notwithstanding the foregoing, the increased financing percentage for the Eligible Expenditures under Category 1 proposed in the disbursement table set forth in paragraph 4 above, shall be deemed applicable retroactively to all expenditures under such category paid on or after October 27, 2011.

Yours sincerely,

INTERNATIONAL BANK OF RECONSTRUCTION AND DEVELOPMENT

Onno Ruhl
Country Director, India
Confirmed and agreed:
INDIA

By: ________________________________

Name: राज कुमार / RAJ KUMAR
संस्थापक सचिव / Joint Secretary
मंत्रालय / Ministry of Finance
आर्थिक मार्ग / Dept. of Econ. Affairs
भारत सरकार / Govt. of India
नई दिल्ली / New Delhi

Date: ________________________________

Confirmed and agreed:
DEDICATED FREIGHT CORRIDOR CORPORATION
OF INDIA LIMITED

By: ________________________________

Name: ________________

Title: ________________

Date: ________________________________
cc:

Mr. Subhash Chandra Garg, Executive Director (India), World Bank
Mr. Neeraj Mittal, Senior Advisor to Executive Director (India), World Bank

Mr. Bhaskar Dasgupta, Director, DEA, Ministry of Finance, Government of India
Mr. S.G. Dastidar, Controller of Aid Accounts & Audit, DEA, Ministry of Finance, Government of India
Mr. Girish Pillai, Advisor Infrastructure, Ministry of Railways, Government of India
Mr. Anshuman Sharma, Director Project Planning, DFCCIL