

C/CP/20-21/ADB/CTU Separation

Date: March 22, 2021

Mr. Takeo Konishi
Country Director, INRM
Asian Development Bank (ADB),
4, San Martin Marg, Chanakyapuri,
New Delhi-110021.

Dear Sir,

**Subject: Amendment to Loan Agreements: related to change in Loan covenants:
CTU Separation.**

This has reference to ADB's letter dated 24th December, 2020 forwarding the signed Original Loan Amendment letter (3 copies) regarding the subject matter. The Loan Amendment has been duly countersigned by authorized signatories of POWERGRID and DEA, MoF. Two signed originals has been retained by POWERGRID and DEA, MoF for records and the other signed original is attached herewith.

Thanking you,

Yours faithfully,

Sanjay Kumar Gupta
22.03.21
(Sanjay Kumar Gupta)
Sr. General Manager (Corporate Planning)



Asian Development Bank

India Resident Mission

24 December 2020

Mr. Upendra Pande
Executive Director (Corporate Planning)
Power Grid Corporation of India Limited
"SAUDAMINI" Plot No. 2, Sector-29
Gurgaon – 122007
Haryana, INDIA

Dear Mr. Pande:

**Loan Nos. 2152-IND, 2415-IND, 2510-IND, 2787-IND, 2823-IND, 3365-IND and 3521-IND:
Amendment to the Loan Agreements- related to change in loan covenants**

1. Reference is made to the following Loan Agreements between Power Grid Corporation of India Limited (Borrower) and the Asian Development Bank (the ADB) guaranteed by India (Guarantor), all as amended to date for the projects and programs referred to in sub-paragraphs (a) to (g) below (the Projects and Programs):

- (a) Loan No. 2152-IND: Power Grid Transmission (Sector) Project dated 3 November 2005;
- (b) Loan No. 2415-IND: National Power Grid Development Investment Program – Tranche 1 dated 28 March 2008;
- (c) Loan No. 2510-IND: National Power Grid Development Investment Program – Tranche 2 dated 27 March 2009;
- (d) Loan No. 2787-IND: National Grid Improvement Project dated 30 March 2012;
- (e) Loan No. 2823-IND: National Power Grid Development Investment Program – Tranche 3 dated 30 March 2012;
- (f) Loan No. 3365-IND: Green Energy Corridor and Grid Strengthening Project dated 23 February 2017; and
- (g) Loan No. 3521-IND: Solar Transmission Sector Project dated 5 April 2017.

This letter for amendment relates to a change in the loan covenants for the Projects and Programs.

2. In this regard we refer to (i) the letter dated 7 September 2020 from the Borrower; and (ii) the letter dated 13 October 2020 from the Guarantor requesting a waiver of certain loan covenants in the Loan Agreements, as discussed below.

Change in loan covenants under the Loan Agreement

3. This request was examined and approved by ADB. Consequently, in order to make this amendment effective the Loan Agreements require to be amended which is indicated in the Annexure attached hereto and forms part and parcel of this letter.



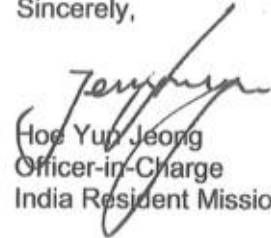
Asian Development Bank

India Resident Mission

4. Kindly indicate your agreement to the amendments by obtaining countersignatures of the Guarantor, and further countersigning yourself, all three originals of the Annexure hereto in the appropriate spaces provided. Please return one original signed amendment to ADB. One signed original may each be retained for your records and for that of the Guarantor. The proposed amendment will be effective as of the date ADB receives the amendment duly countersigned on behalf of the Borrower and the Guarantor.

5. Please also note that in accordance with ADB's Access to Information Policy ("AIP") on disclosure and exchange of information, any amendment to the Loan Agreements will automatically be publicly disclosed within 2 weeks after its effectiveness, unless ADB is advised by return mail by the Borrower that the amendment contains any information or data of a sensitive or confidential nature falling under the AIP exceptions.

Sincerely,



Hoe Yup Jeong
Officer-in-Charge
India Resident Mission

cc: 1. Ms. Juhi Mukherjee, Deputy Secretary (ADB), DEA-MOF
2. Mr. Jasbir Singh, Ch. General Manager (CP), PGCIL

Attached: Annexure on amendment as stated

**Loan Nos. 2152-IND, 2415-IND, 2510-IND, 2787-IND, 2823-IND, 3365-IND and 3521-IND:
Amendment to the Loan Agreements- related to change in implementation arrangements**

WHEREAS this refers to the following Loan Agreements between Power Grid Corporation of India Limited (Borrower) and the Asian Development Bank (the ADB) guaranteed by India (Guarantor), all as amended to date for the projects and programs referred to in subparagraphs (a) to (g) below:

- (a) Loan No. 2152-IND: Power Grid Transmission (Sector) Project dated 3 November 2005;
- (b) Loan No. 2415-IND: National Power Grid Development Investment Program – Tranche 1 dated 28 March 2008;
- (c) Loan No. 2510-IND: National Power Grid Development Investment Program – Tranche 2 dated 27 March 2009;
- (d) Loan No. 2787-IND: National Grid Improvement Project dated 30 March 2012;
- (e) Loan No. 2823-IND: National Power Grid Development Investment Program – Tranche 3 dated 30 March 2012;
- (f) Loan No. 3365-IND: Green Energy Corridor and Grid Strengthening Project dated 23 February 2017; and
- (g) Loan No. 3521-IND: Solar Transmission Sector Project dated 5 April 2017.

WHEREAS upon request of the Borrower through its letter dated 7 September 2020 and the Guarantor through its letter dated 13 October 2020, and approval of the same by ADB on 17 November 2020, the Loan Agreements are amended as follows (changes highlighted for easy reference):

1. Loan No. 2152-IND, Schedule 4, paragraph 16; Loan No. 2415-IND, Schedule 5, paragraph 28(i); Loan No. 2510-IND, Schedule 5, paragraph 28(i); Loan No. 2787-IND, Schedule 5, paragraph 11(a); and Loan No. 3365-IND, Schedule 5, paragraph 12(a) are hereby revised as follows:

~~"the Borrower shall continue to function as the central transmission utility under the (Indian) Electricity Act 2003, as amended from time to time, provide transmission services, and facilitate private sector participation in power transmission as per its directives from time to time;"~~
2. ~~Loan No. 1764-IND, Schedule 4, paragraph 22(b) as amended and~~ Loan No. 2152-IND, Schedule 4, paragraph 22 are hereby deleted, and succeeding paragraphs in Loan 2152-IND Schedule 4 are renumbered accordingly, as applicable:

~~"The Borrower shall obtain from all SEB's and other beneficiaries, irrevocable letters of credit, in the aggregate amounting to no less than 100% of average monthly billings of previous financial year as allowed by GERC."~~

3. Loan No. 2415-IND, Schedule 5, paragraph 26(ii) and Loan No. 2510-IND, Schedule 5, paragraph 26(ii) are hereby deleted; and any succeeding subparagraphs are renumbered accordingly, as applicable:

~~"it obtains irrevocable letters of credit from the state electricity boards and other beneficiaries, in an aggregate amount based on average monthly billings of the previous financial year, as deemed acceptable by the borrower and as allowed by GERC;"~~

4. Loan No. 2787-IND, Schedule 5, paragraph 4(b); Loan No. 2823-IND, Schedule 5, paragraph 27(b); Loan No. 3365-IND, Schedule 5, paragraph 5(b); and Loan No. 3521-IND, Schedule 5, paragraph 5(b) are hereby deleted; and any succeeding subparagraphs are renumbered accordingly, as applicable:

~~"obtains and holds irrevocable letters of credit from all customers in an aggregate amount equivalent to 105% of the average monthly billings of the previous Financial Year, in a form deemed acceptable by the Borrower and as allowed by GERC;"~~

All capitalized terms used but not defined herein shall have the meaning given thereto in the Loan Agreements, unless the context requires otherwise. Save and except to the extent set out above, the Loan Agreements remain unchanged.

The Borrower confirms that the amendment does not contain any information or data of a sensitive or confidential nature falling under the ADB's Access to Information Policy exceptions.

This amendment shall be effective as of the date of receipt by ADB of this amendment duly signed from the Borrower.

For Power Grid Corporation of India Limited

Name: _____

Designation: _____

Date: _____

एम.ताज मुकर्रम / M. TAJ MUKARRUM

निदेशक (वित्त) / Director (Finance)

पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Ltd.
(भारत सरकार का उद्यम) / (A Govt. of India Enterprise)
प्लॉट नं०-2, सेक्टर-29, गुडगाँव-122 001 (हरियाणा)
Plot No.-2, Sector-29, Gurgaon- 122 001 (Haryana)

For Asian Development Bank

Name: _____

Designation: _____

Date: _____

Hoe Yun Jeong

Officer-in-Charge,
India Resident Mission

24 December 2020

For India

Name: _____

Designation: _____

Date: _____

जुही मुखर्जी, आईएएस / Juhi Mukherjee, IAS
निदेशक / Director
आर्थिक मामलों की विभाग / Dept. of Economic Affairs
वित्त मंत्रालय / Ministry of Finance
भारत सरकार / Government of India
नई दिल्ली / New Delhi