

Dated: 3 December 2009

Dr. Anup K. Pujari
Joint Secretary (MI)
Department of Economic Affairs
Ministry of Finance
North Block, New Delhi

**Loan No. 2528-IND: North Eastern Region Capital Cities Development Investment
Program – Project 1 – Amendment to the Loan Agreement**

Dear Dr. Pujari:

1. This refers to the Loan Agreement for the captioned Project signed on 4 August 2009. The capitalized terms used and not defined herein have the same meanings as defined in the Loan Agreement. The total loan amount under the Loan Agreement is \$30,000,000 as shown in Section 2.01 (a) and in the Table on Allocation and Withdrawal of Loan Proceeds (Attachment to Schedule 3). However, the figures in Section 3.01 (b) add up to \$30,000,200.
2. We propose to reduce by \$200 the total amount for Nagaland which has the highest allocation among the States. We also propose to show the distribution of the Unallocated amount in the Table on Allocation and Withdrawal of Loan Proceeds among the States and the Ministry of Urban Development (MOUD).
3. Accordingly, please find below the revised Section 3.01 (b) and the Table on Allocation and Withdrawal of Loan Proceeds.

The existing sub-section (b) of Section 3.01 is hereby deleted and consequently revised as follows:

- (b) Of the Loan proceeds, the Borrower shall provide (i) to MOUD an amount equivalent to four hundred ninety one thousand and nine hundred dollars (\$491,900); (ii) to Meghalaya an amount equivalent to four million six hundred twenty two thousand and five hundred dollars (\$4,622,500); (iii) to Mizoram an amount equivalent to five million three hundred forty nine thousand and five hundred dollars (\$5,349,500); (iv) to Nagaland an amount equivalent to seven million seventy thousand and three hundred dollars (\$7,070,300); (v) to Sikkim an amount equivalent to six million nine hundred sixty five thousand and four hundred dollars (\$6,965,400); and (vi) to Tripura an amount equivalent to five million five hundred thousand and four hundred dollars (\$5,500,400). MOUD and the States shall apply the proceeds of the Loan in accordance with the allocation of Loan proceeds under Schedule 3 to this Loan Agreement.

The existing Table on Allocation and Withdrawal of Loan Proceeds is hereby deleted and consequently revised as follows:

TABLE
ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS

(North Eastern Region Capital Cities Development Investment Program - Project 1)			
CATEGORY			ADB FINANCING BASIS
Number	Item	Total Amount Allocated for ADB Financing \$ Category	Percentage of ADB Financing from the Loan Account
1	Civil Works		
1a	State of Tripura	609,400	62 percent of total expenditure claimed
1b	State of Mizoram	916,500	62 percent of total expenditure claimed
1c	State of Sikkim	3,177,700	62 percent of total expenditure claimed
1d	State of Nagaland	2,767,200	62 percent of total expenditure claimed
1e	State of Meghalaya	214,200	62 percent of total expenditure claimed
2	Equipment		
2a	State of Tripura	475,100	100 percent of total expenditure claimed*
2b	State of Mizoram	1,040,500	100 percent of total expenditure claimed*
2c	State of Sikkim	319,000	100 percent of total expenditure claimed*
2d	State of Nagaland	835,000	100 percent of total expenditure claimed*
2e	State of Meghalaya	122,600	100 percent of total expenditure claimed*
3	Consulting Services		
3a	State of Tripura	3,405,400	100 percent of total expenditure claimed*
3b	State of Mizoram	2,369,600	100 percent of total expenditure claimed*
3c	State of Sikkim	2,206,800	100 percent of total expenditure claimed*
3d	State of Nagaland	2,214,800	100 percent of total expenditure claimed*
3e	State of Meghalaya	3,373,000	100 percent of total expenditure claimed*
3f	Ministry of Urban Development	473,800	100 percent of total expenditure claimed*
4	Project Implementation and Administration		
4a	State of Tripura	572,500	100 percent of total expenditure claimed*
4b	State of Mizoram	572,500	100 percent of total expenditure claimed*
4c	State of Sikkim	572,500	100 percent of total expenditure claimed*
4d	State of Nagaland	572,500	100 percent of total expenditure claimed*
4e	State of Meghalaya	572,500	100 percent of total expenditure claimed*
5	Unallocated		
5a	State of Tripura	438,000	
5b	State of Mizoram	450,400	
5c	State of Sikkim	689,400	
5d	State of Nagaland	680,800	
5e	State of Meghalaya	340,200	
5f	Ministry of Urban Development	18,100	
	Total	30,000,000	

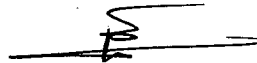
*Exclusive of taxes and duties

4. According to ADB's Public Communication Policy (PCP) on disclosure and exchange of information, any amendment to the Agreement will automatically be publicly disclosed within 2 weeks after its effectiveness, unless ADB is advised by return mail that the amendments contain any information or data of a sensitive or confidential nature falling under the PCP exceptions.

5. Kindly indicate your consent to the above amended Section 3.01 (b) and Table by countersigning the eight original counterparts of this letter. Please return one signed original counterpart to ADB. The other original counterparts may be retained by India, MOUD and the States for records.

6. The proposed amendment will be effective as of the date ADB receives the counterpart duly countersigned by India.

Sincerely,



Hun Kim
Director
Urban Development Division
South Asia Regional Department *CC*

Accepted and agreed.

Confirmed that the amendments set out herein do not contain any information or data of a sensitive or confidential nature falling under the PCP exceptions.

For India



(Authorized Signatory)

Name: _____

Designation: _____

Date: 06/11/2010

अनूप के. पुजारी/Anup K Pujari
संयुक्त सचिव / Joint Secretary
वित्त मंत्रालय / Ministry of Finance
आर्थिक कार्य विभाग / Economic Affairs
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