

No. 8130

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
INDIA**

**Loan Agreement—*Second Kotbagudem Power Project* (with annexed Loan Regulations No. 3 and Project Agreement between the Bank and the Andhra Pradesh State Electricity Board). Signed at Washington, on 11 June 1965**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 25 February 1966.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
INDE**

**Contrat d'emprunt — *Deuxième Projet relatif à l'énergie électrique — Kotbagudem* (avec, en annexe, le Règlement n° 3 sur les emprunts et le Contrat relatif au Projet entre la Banque et le Andhra Pradesh State Electricity Board). Signé à Washington, le 11 juin 1965**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 25 février 1966.*

No. 8130. LOAN AGREEMENT<sup>1</sup> (*SECOND KOTHAGUDEM POWER PROJECT*) BETWEEN INDIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 11 JUNE 1965

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AGREEMENT, dated June 11, 1965, between INDIA acting by its President (hereinafter called the Borrower), and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS, by a development credit agreement dated May 24, 1963<sup>2</sup> between the Borrower and the International Development Association (hereinafter called the Association), the Association made a development credit to the Borrower to assist in the financing of a project to expand the power generation and transmission facilities of the Andhra Pradesh State Electricity Board (hereinafter called the Board) by building new facilities near the town of Kothagudem;

WHEREAS the Borrower, the State of Andhra Pradesh (hereinafter called Andhra Pradesh) and the Board have requested the Bank to assist in the financing of a project to further expand the power generation facilities of the Board by building additional facilities near the town of Kothagudem; and

WHEREAS the Bank is willing to make a loan available on the terms and conditions provided herein and in a project agreement of even date herewith<sup>3</sup> between the Bank and the Board;

NOW THEREFORE the parties hereto hereby agree as follows :

*Article I*

LOAN REGULATIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 3 of the Bank dated February 15, 1961,<sup>3</sup> subject, however, to the modifications thereof set forth in Section 1.02 of this Agreement

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<sup>1</sup> Came into force on 3 August 1965, upon notification by the Bank to the Government of India.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 483, p. 205.

<sup>3</sup> See p. 118 of this volume.

(said Loan Regulations No. 3 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

*Section 1.02.* For the purposes of this Agreement the provisions of the Loan Regulations shall be deemed to be modified as follows :

(a) Section 6.17 is amended by inserting the words “or the Project Agreement” after the words “the Loan Agreement.”

(b) Section 7.02 is amended by inserting the words “or the Project Agreement” after the words “the Loan Agreement.”

(c) Paragraph 5 of Section 10.01 is amended to read as follows :

“ 5. The term ‘ Borrower ’ means India, acting by its President.”

*Section 1.03.* Unless the context shall otherwise require, the following term wherever used in this Agreement, any schedule thereto or in the Loan Regulations shall have the following meaning :

“ Project Agreement ” means the Project Agreement (*Second Kothagudem Power Project*) of even date herewith between the Bank and the Board and shall include any amendments thereto made by agreement between the Bank and the Board.

## Article II

### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to fourteen million dollars (\$14,000,000).

*Section 2.02.* The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Loan Regulations.

*Section 2.03.* The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ( $\frac{3}{8}$  of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

*Section 2.04.* The Borrower shall pay interest at the rate of five and one-half per cent ( $5\frac{1}{2}\%$ ) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

*Section 2.05.* Except as the Borrower and the Bank shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

*Section 2.06.* Interest and other charges shall be payable semiannually on June 1 and December 1 in each year.

*Section 2.07.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

### *Article III*

#### USE OF PROCEEDS OF LOAN

*Section 3.01.* The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out the Project. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Borrower and the Bank, subject to modification by further agreement between them.

*Section 3.02.* Except as the Borrower and the Bank shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Borrower exclusively in the carrying out and operation of the Project.

*Section 3.03.* Pursuant to Section 4.01 of the Loan Regulations, withdrawals from the Loan Account may be made on account of expenditures made before the Effective Date but subsequent to January 1, 1965.

### *Article IV*

#### BONDS

*Section 4.01.* The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

*Section 4.02.* A Secretary to the Government of India in the Ministry of finance is designated as the authorized representative of the Borrower for the purposes of Section 6.12 of the Loan Regulations.

*Article V*

## PARTICULAR COVENANTS

*Section 5.01.* (a) The Borrower shall cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) The Borrower shall take or cause to be taken all action which shall be necessary on its part to enable the Board to perform all the covenants and agreements on the part of the Board to be performed as set forth in the Project Agreement and shall not take, or permit any agency of the Borrower to take, any action that would prevent or interfere with the performance by the Board of such covenants and agreements.

(c) The Borrower shall at all times make available, or cause to be made available, to the Board, promptly as needed, all sums which shall be required for the carrying out of the Project, all such sums to be made available on terms and conditions satisfactory to the Borrower and the Bank.

(d) The Borrower shall : (i) promptly upon receipt of appropriate applications issue, or cause to be issued, such import licenses as shall be required to carry out the Project; (ii) make available, or cause to be made available, promptly as needed, all foreign exchange which shall be required to carry out the Project; and (iii) with respect to locally produced materials which are subject to allocation, make, or cause to be made, allocations of such materials promptly and in such quantities as shall be required to carry out the Project.

*Section 5.02.* (a) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Borrower for purposes related to the Loan.

*Section 5.03.* It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of

a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any pledge of commercial goods to secure a debt maturing not more than one year after its date and to be paid out of the proceeds of sale of such commercial goods; or (iii) any pledge by the Reserve Bank of India of any of its assets in the ordinary course of its banking business to secure any indebtedness maturing not more than one year after its date.

*Section 5.04.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

*Section 5.05.* The Loan Agreement, the Project Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

*Section 5.06.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Borrower or laws in effect in its territories.

## Article VI

### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified in paragraph (a) or paragraph (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a

period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations or in Section 6.02 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

*Section 6.02.* For the purposes of Section 5.02 of the Loan Regulations, the following additional events are specified :

- (a) a default shall have occurred in the performance of any covenant or agreement of the Board under the Project Agreement;
- (b) a default shall have occurred in the performance of any covenant or agreement of Andhra Pradesh under the Project Agreement (*Kothagudem Power Project*) dated May 24, 1963,<sup>1</sup> between Andhra Pradesh and the Association;
- (c) a default shall have occurred in the payment of principal, interest, service charges or any other payment required under any development credit agreement between the Borrower and the Association; or
- (d) a default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower under the Development Credit Agreement (*Kothagudem Power Project*) dated May 24, 1963, between the Borrower and the Association.

### Article VII

#### EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following events are specified for the purposes of Section 9.01 (b) of the Loan Regulations :

(a) The execution and delivery of the Project Agreement on behalf of the Board have been duly authorized or ratified by all necessary corporate and governmental action.

(b) Except as the Bank may otherwise agree, all necessary acts, consents and approvals to be performed or given by the Borrower and Andhra Pradesh or otherwise in order to authorize the construction of the Project, with all necessary powers and rights in connection therewith, have been performed or given.

*Section 7.02.* The following are specified as additional matters, within the meaning of Section 9.02 (c) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank :

<sup>1</sup> United Nations, *Treaty Series*, Vol. 483, p. 222.

(a) that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Board and constitutes a valid and binding obligation of the Board in accordance with its terms; and

(b) that all acts, consents and approvals of the Borrower and Andhra Pradesh or otherwise to be performed or given in order to authorize the construction of the Project, with all necessary powers and rights in connection therewith, have been duly and validly performed or given.

*Section 7.03.* A date sixty days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

### *Article VIII*

#### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be March 31, 1968, or such other date as may from time to time be agreed between the Borrower and the Bank.

*Section 8.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

The Secretary  
Ministry of Finance of India  
Department of Economic Affairs  
New Delhi, India

Alternative address for cables and radiograms :

Ecofairs  
New Delhi

For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Alternative address for cables and radiograms :

Intbafrad  
Washington, D.C.

*Section 8.03.* A Secretary to the Government of India in the Ministry of Finance is designated for the purposes of Section 8.03 of the Loan Regulations.



IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

India :

By BRAJ KUMAR NEHRU  
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP  
Vice President

### SCHEDULE 1

#### AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
December 1, 1971 . . . . .	\$190,000	June 1, 1982 . . . . .	\$335,000
June 1, 1972 . . . . .	195,000	December 1, 1982 . . . . .	345,000
December 1, 1972 . . . . .	200,000	June 1, 1983 . . . . .	350,000
June 1, 1973 . . . . .	205,000	December 1, 1983 . . . . .	360,000
December 1, 1973 . . . . .	210,000	June 1, 1984 . . . . .	370,000
June 1, 1974 . . . . .	215,000	December 1, 1984 . . . . .	380,000
December 1, 1974 . . . . .	220,000	June 1, 1985 . . . . .	390,000
June 1, 1975 . . . . .	230,000	December 1, 1985 . . . . .	405,000
December 1, 1975 . . . . .	235,000	June 1, 1986 . . . . .	415,000
June 1, 1976 . . . . .	240,000	December 1, 1986 . . . . .	425,000
December 1, 1976 . . . . .	245,000	June 1, 1987 . . . . .	435,000
June 1, 1977 . . . . .	255,000	December 1, 1987 . . . . .	450,000
December 1, 1977 . . . . .	260,000	June 1, 1988 . . . . .	460,000
June 1, 1978 . . . . .	270,000	December 1, 1988 . . . . .	475,000
December 1, 1978 . . . . .	275,000	June 1, 1989 . . . . .	485,000
June 1, 1979 . . . . .	285,000	December 1, 1989 . . . . .	500,000
December 1, 1979 . . . . .	290,000	June 1, 1990 . . . . .	515,000
June 1, 1980 . . . . .	300,000	December 1, 1990 . . . . .	530,000
December 1, 1980 . . . . .	310,000	June 1, 1991 . . . . .	545,000
June 1, 1981 . . . . .	315,000	December 1, 1991 . . . . .	560,000
December 1, 1981 . . . . .	325,000		

\* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

## PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity . . . . .	½%
More than three years but not more than six years before maturity . . . . .	1%
More than six years but not more than twelve years before maturity . . . . .	1½%
More than twelve years but not more than seventeen years before maturity . . . . .	2½%
More than seventeen years but not more than twenty-two years before maturity . . . . .	3½%
More than twenty-two years but not more than twenty-four years before maturity . . . . .	4½%
More than twenty-four years before maturity . . . . .	5½%

## SCHEDULE 2

## DESCRIPTION OF PROJECT

The Project is the extension of the Kothagudem thermal power station to a capacity of 240 MW by the installation of two 60 MW steam turbo-alternators, associated boilers, circulating water system, coal handling plant, generator unit transformers, switchgear, auxiliary equipment and civil works.

The Project is expected to be completed by March 31, 1967.

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## LOAN REGULATIONS No. 3, DATED 15 FEBRUARY 1961

## LOAN REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 414, p. 268.*]

## PROJECT AGREEMENT

## (SECOND KOTHAGUDEM POWER PROJECT)

AGREEMENT, dated June 11, 1965, between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and the ANDHRA PRADESH STATE ELECTRICITY BOARD, a body corporate organized and existing under the Electricity (Supply) Act, 1948 (LIV), of India (hereinafter called the Board) .

WHEREAS, by a development credit agreement dated May 24, 1963,<sup>1</sup> between India (hereinafter called the Borrower) and the International Development Association (hereinafter called the Association), the Association made a development credit to the Borrower to assist in the financing of a project to expand the power generation and transmission facilities of the Board by building new facilities near the town of Kothagudem;

WHEREAS, by a project agreement dated May 24, 1963,<sup>2</sup> between the State of Andhra Pradesh (hereinafter called Andhra Pradesh) and the Association, Andhra Pradesh has undertaken certain obligations to the Association relating to said project;

WHEREAS the Borrower, Andhra Pradesh and the Board have requested the Bank to assist in the financing of a project to further expand the power generation facilities of the Board by building additional facilities near the town of Kothagudem;

WHEREAS, by a loan agreement of even date herewith (hereinafter called the Loan Agreement)<sup>3</sup> between the Borrower and the Bank, the Bank has agreed to make available to the Borrower an amount in various currencies equivalent to fourteen million dollars (\$14,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Board agree to undertake certain obligations to the Bank as hereinafter in this Project Agreement set forth; and

WHEREAS the Board, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to undertake the obligations hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

### *Article I*

#### DEFINITIONS

*Section 1.01.* Wherever used in this Project Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement shall have the respective meanings therein set forth.

### *Article II*

#### PARTICULAR COVENANTS OF THE BOARD

*Section 2.01.* (a) The Board shall carry out and operate the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) To assist it in carrying out the Project and planning for future expansion of its power system, the Board shall, in such cases as the Bank and the Board shall deem it necessary, employ suitably qualified and competent engineering consultants. The

<sup>1</sup> United Nations, *Treaty Series*, Vol. 483, p. 205.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 483, p. 222.

<sup>3</sup> See p. 102 of this volume.

selection of the consultants and the nature and scope of their responsibilities shall be subject to agreement between the Bank and the Board.

(c) The Board shall furnish to the Bank promptly upon their preparation the plans, specifications and construction schedule for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(d) The Board shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound utility accounting practices the operations and financial condition of the Board; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents and all other plants, sites, works, properties and equipment of the Board; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, and the operations and financial condition of the Board.

*Section 2.02.* (a) The Bank and the Board shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request.

(b) The Bank and the Board shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan. The Board shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the performance by the Board of its obligations under this Project Agreement, or which shall increase or threaten to increase materially the estimated cost of the Project.

*Section 2.03.* Except as shall be otherwise agreed by the Bank and the Board, the Board : (a) shall use all goods purchased with the proceeds of the Loan exclusively in the carrying out of the Project; (b) shall obtain title to all such goods free and clear of all encumbrances; and (c) shall not sell or otherwise dispose of any goods purchased or paid for out of the proceeds of the Loan.

*Section 2.04.* (a) The Board shall insure with responsible insurers all goods financed out of the proceeds of the Loan. Such insurance shall cover such marine, transit and other risks incident to purchase and importation of such goods into the territories of the Borrower and delivery thereof to the site of the Project, and shall be for such amounts, as shall be consistent with sound business practices. Except as the Bank shall otherwise agree, any indemnity under such insurance shall be payable in the currency in which the cost of the goods insured thereunder shall be payable or in a freely convertible currency.

(b) In addition, the Board shall insure against such risks and in such amounts as shall be consistent with sound business and public utility practices, or shall make other adequate arrangements to cover promptly any damage or losses resulting from such risks.

*Section 2.05.* (a) The Board shall : (i) operate and maintain all of its power generating, transmission and distribution facilities and all of its plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering and public utility practices; (ii) at all times manage its affairs, plan the future expansion of its power system, operate its plants and equipment and maintain its financial position in accordance with sound business and public utility practices and in cooperation with the Southern Regional Electricity Board.

(b) The Board shall : (i) have its financial statements (balance sheet and related statement of earnings and expenses) audited and certified annually in accordance with audit procedures satisfactory to the Bank; and (ii) cause certified copies of such audited statements to be transmitted to the Bank within six months after the close of each financial year of the Board.

*Section 2.06.* The Board shall take all steps necessary to enable it to earn, at the earliest possible date and to maintain thereafter, a reasonable return on its capital base.

*Section 2.07.* The Board shall exercise every right and recourse available to it as shall be required to assure that no use, other than domestic uses, will reduce the amounts of water available from the Kinnerasani Dam for the Project below the amounts needed therefor.

*Section 2.08.* The Board shall take all steps necessary to maintain and renew all rights, powers and privileges which are necessary or useful for its operations.

### *Article III*

#### EFFECTIVE DATE; TERMINATION

*Section 3.01.* This Project Agreement shall come into force and effect on the Effective Date. If, pursuant to Section 9.04 of the Loan Regulations, the Bank shall terminate the Loan Agreement, the Bank shall promptly notify the Board thereof and upon the giving of such notice, this Project Agreement and all obligations of the parties hereunder shall forthwith cease and determine.

*Section 3.02.* If and when the entire principal amount of the Loan shall have been paid or caused to be paid by the Borrower (or shall have been cancelled), together with all interest and other charges which shall have accrued on the Loan, this Project Agreement and all obligations of the Bank and the Board hereunder shall forthwith cease and determine.

### *Article IV*

#### MISCELLANEOUS PROVISIONS

*Section 4.01.* Any notice, demand or request required or permitted to be given or made under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice, demand or request

shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

The addresses so specified are :

(a) For the Bank :

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Alternative address for cables and radiograms :

Intbafrad  
Washington, D.C.

(b) For the Board :

Chairman, Andhra Pradesh State Electricity Board  
Khairatabad, Hyderabad  
Andhra Pradesh, India

Alternative address for cables and radiograms :

Vidyachukti  
Hyderabad

*Section 4.02.* Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement on behalf of the Board may be taken or executed by the Chairman of the Board or such other person or persons as he shall designate in writing.

*Section 4.03.* The Board shall furnish to the Bank sufficient evidence of the authority of the person or persons who will, on behalf of the Board, take any action or execute any documents required or permitted to be taken or executed by the Board pursuant to any of the provisions of this Project Agreement and the authenticated specimen signature of each such person.

IN WITNESS WHEREOF the parties hereto have caused this Project Agreement to be signed in their respective names by their representatives thereunto duly authorized and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By J. Burke KNAPP  
Vice President

Andhra Pradesh State Electricity Board :

By BRAJ KUMAR NEHRU  
Authorized Representative