No. 8888

DENMARK
and
INDIA

Agreement on a Danish Government Loan to India. Signed at Copenhagen, on 30 May 1963

Exchange of letters relating to the above-mentioned Agreement. Copenhagen, 9 and 12 July 1963

Official texts: Danish and English.

Registered by Denmark on 1 January 1968.

DANEMARK
et
INDE

Accord relatif à l'octroi d'un prêt du Gouvernement danois à l'Inde. Signé à Copenhague, le 30 mai 1963

Échange de lettres concernant l'Accord susmentionné. Copenhague, 9 et 12 juillet 1963

Textes officiels danois et anglais.

Enregistrés par le Danemark le 1er janvier 1968.

No. 8888. AGREEMENT[1] BETWEEN THE GOVERNMENTS OF DENMARK AND INDIA ON A DANISH GOVERNMENT LOAN TO INDIA. SIGNED AT COPENHAGEN, ON 30 MAY 1963

The Government of Denmark and the Government of India, desiring to strengthen the traditional co-operation and cordial relations between their countries, have agreed that, as a contribution to India's Third Five Year Plan, a Danish Government Loan will be extended to India in accordance with the following provisions.

Article I

DISBURSEMENT OF THE LOAN

(1) The Government of Denmark agrees to lend to the Government of India an amount of Danish kroner 15 million on the terms and conditions set forth in this Agreement.

(2) The Government of Denmark will disburse the loan in accordance with successive withdrawals from a loan account to be opened for the Government of India with Danmarks Nationalbank, Copenhagen.

(3) The Government of India will be entitled to draw from the loan account such amounts in Danish kroner as will be required to cover payments due for goods imported from Denmark in accordance with Article III of this Agreement.

(4) Withdrawals from the loan account referred to in paragraph 2 above may begin from the date when this Agreement comes into force. The Government of India will endeavour to ensure that the amounts drawn against the loan account on April 1, 1964, will not exceed Danish kroner 7,500,000 unless the two Governments agree that this limit may be exceeded.

(5) Importers in India will conclude contracts for supplies with Danish exporters for the equipment, etc. referred to in Article III, paragraph 1 of this Agreement and make payments to Danish suppliers in the usual manner. Copies of contracts so concluded shall be made available by the Government of India to the Danish Ministry of Foreign Affairs. After payments have been made under such contracts, the Government of India, when wishing to draw against the loan account, will deliver to the Danish Ministry of Foreign Affairs an application for reimbursement containing the following particulars :

[1] Came into force on 30 May 1963, upon signature, in accordance with article V (2).

(*a*) the amount to be drawn;

(*b*) a statement to the effect that the amount has been paid for goods imported from Denmark in accordance with Article III below;

(*c*) the date on which the order for the goods was placed;

(*d*) the dates on which the payments were made;

(*e*) the names and addresses of the Indian importers and of the Danish suppliers of the goods; and

(*f*) the destination and end-use of the goods.

Article II

Servicing of the Loan

(1) The Government of India will pay interest on the loan at the rate of 5 per cent per annum.

(2) Such interest is payable on the balance outstanding at any time and will be calculated as from the date on which each part of the loan is disbursed. Interest falls due for payment on April 1 and October 1 of each year and will be computed on the basis of years of 360 days and months of 30 days.

(3) The loan is repayable in semi-annual instalments of the equivalent of Danish kroner 750,000, payable on April 1 and October 1 of each year, the first instalment falling due on April 1, 1965.

(4) Interest and instalments shall be paid in Indian rupees into a Special Account to be opened for the Government of Denmark with the Reserve Bank of India. Rupee amounts due shall be computed on the basis of the par value of rupee and Danish kroner on the date the payment is due as reported to the International Monetary Fund.

Article III

The Use of the Loan by India

(1) The Government of India will use the proceeds of the loan to finance imports from Denmark of Danish machinery and other Danish capital goods needed for the implementation of India's Third Five Year Plan on the basis of the following list:

Equipment for cement plants.

Equipment for milk powder manufacturing plants.

Dairy plants.

Equipment for solvent extraction plants.

Spray driers for extraction of protein from ground nut kernels.

The Indian Government agrees that Indian imports from Denmark, financed under this Agreement, should be distributed as far as possible over all the items