

No. 7653

**CANADA
and
INDIA**

Financial Agreement. Signed at Ottawa, on 14 May 1963

Official text: English.

Registered by Canada on 25 March 1965.

**CANADA
et
INDE**

Accord financier. Signé à Ottawa, le 14 mai 1963

Texte officiel anglais.

Enregistré par le Canada le 25 mars 1965.

No. 7653. FINANCIAL AGREEMENT¹ BETWEEN THE GOVERNMENT OF CANADA (HEREINAFTER REFERRED TO AS "CANADA") AND THE GOVERNMENT OF INDIA (HEREINAFTER REFERRED TO AS "INDIA"). SIGNED AT OTTAWA, ON 14 MAY 1963

Whereas India desires to purchase sixteen Caribou I aircraft and associated spare parts and equipment ; and

Whereas the purchase is to be made by India under a contract to be entered into with the Canadian Commercial Corporation ; and

Whereas Canada has agreed to make a loan to India to enable India to make the purchase and to provide grants to India to defray part of the interest payable in respect of the loan ;

Canada and India agree as follows :

1. Canada will, subject to the appropriation of funds by the Canadian Parliament therefor, pay to the Canadian Commercial Corporation, by way of loan to India and on India's behalf, at such time or times as may be specified in a contract to be negotiated between India and the Canadian Commercial Corporation, such amounts, not exceeding in the aggregate Twelve Million Five Hundred Thousand Canadian Dollars (Can. \$12,500,000), as are required for the purchase by the Canadian Commercial Corporation from de Havilland Aircraft of Canada Limited, for the account of India, of sixteen Caribou I aircraft and associated spare parts and equipment ; the aircraft to be delivered F.A.F. Downsview, Ontario.

2. In repayment of the principal amount of the loan referred to in clause 1, India will pay to the Receiver-General of Canada in Canadian dollars and in ten (10) equal semi-annual instalments, an amount equal to the total amount paid by Canada under clause 1 ; the first such instalment to be paid by India six months after the date of delivery of the first aircraft, and subsequent instalments to be paid semi-annually et six-month intervals calculated from the date the first instalment is paid.

3. India, may, at its option and without notice or bonus, pay before their due date any or all of the instalments required to be paid on account of principal under clause 2.

¹ Came into force on 14 May 1963, upon signature, in accordance with the provisions of the Agreement.

4. India will pay semi-annually to the Receiver-General of Canada, in Canadian dollars, concurrently with the instalments of principal, interest on the balance of the loan outstanding from time to time at the rate of five and one-half per cent ($5\frac{1}{2}\%$) per annum calculated from the date of execution of the contract between India and the Canadian Commercial Corporation referred to in clause 1.

5. Canada will, subject to appropriation of funds by the Canadian Parliament therefor, provide grants to India of sums sufficient to defray one-half of the interest that may from time to time be payable under clause 4, the first such grant to be made on the date that the first interest payment is due and subsequently at semi-annual intervals concurrent with the subsequent interest payments; but the total of all such grants shall not exceed in the aggregate Two Million Canadian Dollars (Can. \$2,000,000).

This Agreement shall come into force on the date of signature.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Ottawa, this 14th day of May, 1963.

For the Government of Canada :

Paul MARTIN

For the Government of India :

T. T. KRISHNAMACHARI