

No. 9229

**DENMARK
and
INDIA**

**The Second Agreement on a Danish Government Food Loan
to India. Signed at Copenhagen, on 25 March 1968**

Official text: English.

Registered by Denmark on 9 September 1968.

**DANEMARK
et
INDE**

**Deuxième Accord relatif à un prêt alimentaire du Gouverne-
ment danois à l'Inde. Signé à Copenhague, le 25 mars 1968**

Texte officiel anglais.

Enregistré par le Danemark le 9 septembre 1968.

No. 9229. THE SECOND AGREEMENT¹ BETWEEN THE GOVERNMENT OF DENMARK AND THE GOVERNMENT OF INDIA ON A DANISH GOVERNMENT FOOD LOAN TO INDIA. SIGNED AT COPENHAGEN, ON 29 APRIL 1968

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 a Danish Government Food Loan will be extended to India in accordance with the following provisions :

Article I

THE LOAN

The Government of Denmark (hereinafter called the Lender) agrees to make available to the Government of India (hereinafter called the Borrower) a Food Loan in an amount of thirty million Danish Kroner for the procurement of foodstuffs as described in Article VI of this Agreement.

Article II

LOAN ACCOUNT

Section 1. An account designated "Government of India Special Food Account No. 2" (hereinafter called "Special Food Account No. 2") will be opened with Danmarks Nationalbank (acting as agent for the Lender) in favour of the Borrower or the Chief Accounting Officer to the High Commissioner for India in the United Kingdom, London (acting as agent for the Borrower). The Lender will ensure that sufficient funds are always available in the Special Food Account No. 2 to enable the Borrower to effect punctual payment for the goods procured under this Loan, provided that the amounts successively made available to the Borrower shall not, in the aggregate, exceed the loan amount specified in Article I.

Section 2. The Borrower or the Chief Accounting Officer to the High Commissioner for India in the United Kingdom, London (acting as agent for the Borrower) shall be entitled, subject to the provisions of this Agreement, to withdraw from the Special Food Account No. 2 amounts needed for the payment of goods procured under the Loan Agreement.

¹ Came into force on 25 March 1968 by signature, in accordance with article XIV (1).

Article III

RATE OF INTEREST

The Loan will be free of interest.

Article IV

REPAYMENT

Section 1. The Borrower will repay to the Lender the Principal of the Loan withdrawn from the Special Food Account No. 2 in thirty-five semi-annual instalments of 830,000 Danish Kroner each, commencing on 30th September, 1975, and one final instalment of 950,000 Danish Kroner payable on 31st March, 1993.

Section 2. The Borrower has the right to repay in advance of maturity all or any part of the principal amount of one or more maturities of the Loan specified by the Borrower.

Article V

PLACE OF PAYMENT

The Borrower will repay the Loan in convertible Danish Kroner to Danmarks Nationalbank to the credit of the current account of the Ministry of Finance with Danmarks Nationalbank.

Article VI

THE USE OF THE LOAN BY INDIA

Section 1. The Borrower will use the proceeds of the Loan to finance imports (including transport charges from Denmark to India) of Danish milk powder or such other foodstuffs and agricultural necessities, of Danish origin, as may be decided by mutual consent. The total disbursement shall not exceed the amount of Danish Kroner thirty million referred to in Article I.

Section 2. The terms of payment stipulated in contracts or documentation to the effect that an order has been placed with a Danish exporter for supplies of the nature described above shall be considered as normal and proper whenever such contracts or other documentation contain no clauses involving special credit facilities from Danish exporters.

Section 3. The Borrower may draw on the account with Danmarks Nationalbank referred to in Article II for two years after the entry into force of

the Agreement or such other date as shall be agreed by the Lender and the Borrower.

Article VII

NON-DISCRIMINATION

Section 1. In regard to the payment of the Loan the Borrower undertakes to give the Lender no less favourable treatment than accorded to other foreign creditors.

Section 2. All shipments covered by this Agreement shall be in keeping with the principle of free circulation of ships in international trade in free and fair competition.

Article VIII

MISCELLANEOUS PROVISIONS

Section 1. Prior to the first drawing against the Special Food Account No. 2 referred to in Article II the Borrower will satisfy the Lender that all constitutional requirements and other requirements laid down by statute in the Borrower's home country have been met so that this Loan Agreement will constitute a valid obligation binding on the Borrower in the terms of the Loan Agreement.

Section 2. The Borrower will furnish to the Lender evidence of the authority of the person or persons who will, on behalf of the Borrower, take any action or execute any documents under this Agreement, and authenticated specimen signatures of all such persons.

Section 3. Any notice or request under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it has been delivered by hand or by mail, telegram, cable, or radiogram to the party at such party's address specified in this Agreement, or at such other address as such party shall have indicated by notice to the party giving such notice or making such request.

Article IX

PARTICULAR COVENANTS

The principal of the Loan shall be repaid without deduction for, and free from, any taxes and charges, and free from all restrictions imposed under the laws of the Borrower. This Agreement shall be free from any present and future taxes 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.

Article X

CANCELLATION AND SUSPENSION

Section 1. The Borrower may, by notice to the Lender, cancel any amount of the credit which the Borrower shall not have withdrawn.

If any of the following events shall have happened and be continuing, the Lender may, by notice to the Borrower, suspend in whole or in part the right of the Borrower to make withdrawals from the Special Food Account No. 2 :

- (a) a default shall have occurred in the payment of principal under the Agreement or under any other financial commitment entered into by the Borrower in relation to the Lender,
- (b) a default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower under the Agreement.

Section 2. The right of the Borrower to make withdrawals from the Special Food Account No. 2 shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Lender shall have notified the Borrower that the right to make withdrawals has been restored, whichever is the earlier, provided however, that in the case of any such notice of restoration the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall effect or impair any right, power, or remedy of the Lender in respect of any other or subsequent event described in this Article.

If the right of the Borrower to make withdrawals from the Special Food Account No. 2 shall have been suspended with respect to any amount of the Loan for a continuous period of sixty days, the Lender may, by notice to the Borrower, terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice such amount of the Loan shall be cancelled.

Section 3. Notwithstanding any cancellation or suspension all the provisions of the Agreement shall continue in full force and effect except as in this Article specifically provided.

Article XI

REMEDIES OF THE LENDER

If any event specified in subparagraphs (a) and (b) of Section 1 of Article X shall occur and shall continue for a period of sixty days after notice thereof has been given by the Lender to the Borrower, then at any subsequent time the Lender, at his option, may declare the principal of the Loan then outstanding

to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in the Agreement to the contrary notwithstanding.

Article XII

APPLICABLE LAW

Unless otherwise provided for in the Agreement, the Agreement and all the rights and obligations deriving from it shall be governed by Danish law.

Article XIII

SETTLEMENT OF DISPUTES

Section 1. Any dispute between the Contracting Parties arising out of the interpretation or administration of the present Agreement, which has not been settled within six months through diplomatic channels, shall, at the request of either Party, be submitted to a tribunal of arbitration consisting of three members. The chairman of the tribunal shall be a citizen of a third country and shall be appointed by common consent of the Contracting Parties. Should the Parties fail to agree on the appointment of the chairman of the tribunal, either Party may request the President of the International Court of Justice to make the appointment. Each Party appoints its own arbitrators; if a Party abstains from appointing an arbitrator, the latter may be appointed by the chairman of the tribunal.

Section 2. Each Contracting Party will observe and carry out awards given by the tribunal.

Article XIV

DURATION OF THE AGREEMENT

Section 1. This Agreement shall come into force on the date of signature.

Section 2. When the entire principal amount of the Loan has been repaid, the Agreement shall terminate forthwith.

Article XV

SPECIFICATION OF ADDRESSES

The following addresses are specified for the purposes of this Agreement :

For the Borrower :

Ministry of Finance
Department of Economic Affairs
New Delhi

Alternative address for cablegrams and radiograms :

Écofairs
New Delhi

For the Lender, with respect to disbursement :

Ministry of Foreign Affairs
Secretariat for Technical Co-operation with Developing Countries
Copenhagen

Alternative address for cablegrams and radiograms :

Dacomta
Copenhagen

For the Lender, with respect to repayment of the credit :

Ministry of Finance
Copenhagen

Alternative address for cablegrams and radiograms :

Finans
Copenhagen

IN WITNESS WHEREOF, the parties hereto, acting through their representatives duly authorized for this purpose, have caused this Agreement to be signed in two copies in the English language in Copenhagen this 25th day of March, 1968.

For the Government of Denmark :

Poul HARTLING

For the Government of India :

A. H. SAFRANI