

No. 9382

**UNION OF SOVIET SOCIALIST REPUBLICS
and
INDIA**

**Trade Agreement (with annexes). Signed at Moscow on
10 June 1963**

Authentic texts: Russian and English.

Registered by the Union of Soviet Socialist Republics on 15 January 1969.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
INDE**

**Accord commercial (avec annexes). Signé à Moscou le
10 juin 1963**

Textes authentiques : russe et anglais.

Enregistré par l'Union des Républiques socialistes soviétiques le 15 janvier 1969.

TRADE AGREEMENT¹ BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND INDIA

The Government of Union of Soviet Socialist Republics and the Government of India noting with satisfaction the successful development of trade relations and being desirous of further increase of the volume of trade between the two parties, have agreed upon the following :

Article 1

The Contracting Parties will, in every possible way, develop and strengthen the trade relations between the two countries on the principles of equality and mutual benefit. They will study and with utmost goodwill take decision on the suggestions which either of them would like to present for consideration of the other with the purpose of achieving closer economic relations.

Article 2

The Contracting Parties will accord upon importation and exportation of goods from one country to the other maximum facilities allowed by their respective laws, rules and regulations. In any case the said goods shall enjoy full most favoured nation treatment with respect to customs duties and charges of any kind imposed on imports or exports or in connection therewith, with respect to the methods of levying such duties and charges, with respect to rules, formalities and charges in connection with customs clearing operations, and with respect to the application of internal taxes or other charges of any kind imposed on or in connection with imported goods.

The Contracting Parties will accord to each other in respect of the issuance of import and export licences treatment no less favourable than that granted to any other country.

Article 3

Any advantage, favour, privilege or immunity granted by either of the Contracting Parties to import or export of any product originating in the territory of a third country or destined for its territory, shall be accorded immediately and unconditionally to the like product originating in the territory of either of the Contracting Parties or destined to be imported into its territory.

¹ Came into force on 1 January 1964, in accordance with article 13.

The provisions of Articles 2 and 3 shall not, however, apply to the grant or continuance of any

- (a) advantages accorded by either Government to contiguous countries with the purpose of facilitating frontier traffic;
- (b) preferences or advantages accorded by India to any third country and existing on December 2nd, 1953 or in replacement of such preferences or advantages that existed prior to the 15th of August, 1947.

Article 4

Juridical and physical persons of either Contracting Party shall enjoy the most favoured nation treatment in respect of personal protection and protection of property when effecting commercial activities in the territory of the other Party provided that the enjoyment of this treatment shall be subject to the laws and regulations of such other Party which are generally applicable to all foreigners alike.

Article 5

Mercantile ships of either country with or without cargoes therein, will, while entering, staying in or leaving the ports of the other country, enjoy the most favoured facilities granted by their respective laws, rules and regulations to ships under third countries' flags. This principle shall not, however, apply to ships engaged in coastal navigation.

Article 5

The export of goods from the U.S.S.R. to India and from India to the U.S.S.R. during the period of validity of the present Agreement will be carried out in accordance with the Schedules to be agreed upon between the two Governments from time to time. The schedules, as agreed, are attached to the Agreement.

The provisions of the present Agreement do not affect the rights of the Soviet foreign trade organisations and the Indian physical and juridical parties to conclude between themselves, subject to the import, export, and foreign exchange regulations, in force from time to time in both the countries, commercial transactions for the import or export of goods not included in the schedules.

Article 7

The import and export of the goods stipulated in Article 6 will be carried out in accordance with the export, import and foreign exchange regulations in force from time to time in either country and on the basis of contracts to be

concluded between the Soviet foreign trade organisations on the one side and the Indian physical and juridical parties including Indian State-owned organisations on the other.

Article 8

1. All payments of a commercial and non-commercial nature between the U.S.S.R. and India will be effected in Indian rupees.

2. For this purpose, the Bank for Foreign Trade of the U.S.S.R. will maintain a Central Account with the Reserve Bank of India and one or more accounts with one or more commercial banks in India authorised to deal in foreign exchange.

3. (a) The Central Account will be used for depositing the rupee holdings, for replenishing the accounts with the Commercial Banks, and for operating transactions relating to technical credit.

(b) The accounts with the Commercial Banks in India will be used for carrying out all operations of a commercial and non-commercial nature.

4. (a) The Central Account will be replenished by transfers of funds from the accounts with the Commercial Banks mentioned in Clause 2, and by receipts under the technical credit.

(b) The Accounts with the Commercial Banks will be replenished by transfers of the funds from other similar accounts mentioned in Clause 2 and from the Central Account.

(c) Payments permitted in accordance with the Indian Foreign Exchange Control laws and regulations and the rules made thereunder, will be effected on the basis of this Agreement to the physical and juridical persons residing in the U.S.S.R. by the physical and juridical persons residing in India, by crediting the amount of such payments to the said account (accounts) of the Bank for Foreign Trade of the U.S.S.R. with the Commercial Bank (Banks). Likewise the payments to be effected by the physical and juridical persons residing in the U.S.S.R. to the physical and juridical persons residing in India, will be effected by debiting the said account (accounts) with the Commercial Bank (Banks) in India.

Article 9

The Bank for Foreign Trade of the U.S.S.R. and the Reserve Bank of India will jointly establish the technical procedure of keeping the accounts under this Agreement.

Article 10

Any balances in the Rupee Accounts of the Bank for Foreign Trade of the U.S.S.R. or any debt of the Bank for Foreign Trade of the U.S.S.R. in connection with the grant of technical credit will, upon expiry of this agreement, be used during the ensuing six months for the purchase of Soviet or Indian goods, as the case may be, or shall be settled in such other way as may be agreed upon between the two parties.

Article 11

The two Governments will render all possible assistance for the shipment of the goods exported and imported under this Agreement from one country to the other as far as possible in Soviet and Indian ships.

Article 12

The Contracting Parties shall consult with each other as and when necessary, in respect of the matters connected with the implementation of this Agreement.

For this purpose representatives of both Parties will meet on request by either Party at a place and time to be mutually agreed upon but not later than 45 days after the date of the request.

Article 13

The present Agreement will come into force on January 1, 1964 and will remain valid for a period of five years.

The Agreement may be extended or renewed by negotiations between the Contracting Parties.

DONE in Moscow 10th June, 1963 in two original copies each in the Russian and English language, both texts being equally authentic.

By Authority
of the Government of Union
of Soviet Socialist Republics :

Н. ПАТОЛИЧЕВ

By Authority
of the Government of India :

M. SHACH

ANNEX TO THE TRADE AGREEMENT OF JUNE 10, 1963

SCHEDULE OF GOODS FOR EXPORT FROM USSR TO INDIA

Machine tools and other metal working machines

Power and electro-technical equipment

Generating sets (diesel and petrol), turbines and generators

Mining equipment

Lifting and transport equipment : cranes and hoisting equipment, including mobile and E.O.T.cranes

Construction and earthmoving equipments including excavators, dumpers, crawler tractors, bulldozers, scrapers, motorgraders

Metallurgical equipment

Geological prospecting and oil drilling equipment and spare parts

Machinery for food industry

Cotton/Woolen textile machinery

Printing machinery and polygraphic equipment

Laboratory testing machines, optical and control measuring apparatus, metal cutting instruments and abrasive grains

Ball, roller and taper bearings

Wheel tractors components, agriculture machinery and spare parts

Machinery repair and servicing equipment

River transport, dredging, marine diesel engines and other equipment

Aircraft, helicopters and spare parts

Spare parts, components, industrial material, etc. for H.E.C. Ranchi and Bhilai Steel Plant

Steel mill rolls

Other machines and equipment

Oil products

Rolled steel products

Tin plates

Pipes

Pig iron foundry grade

Gas cylinders

Zinc

Lead

Platinum

Power cables

Caustic soda

Other Chemicals

Intermediates for dyes

Raw film, photographic paper and materials

Ammonium sulphate

Muriate of Potash
Asbestos, raw
Refractories
Woodpulp
Newsprint
Paper - kraft, packing and other varieties
Medicines and drugs in bulk
Medical and veterinary instruments and equipment
Books and periodicals and postage stamps
Exposed cinematographic films
Industrial explosives
X-ray films
Raw emeralds
Calculating machines
Other goods

ANNEX TO THE TRADE AGREEMENT OF JUNE 10, 1963

SCHEDULE OF GOODS FOR EXPORT FROM INDIA TO USSR

Mica
Raw jute
Wool, raw
Goat skins, raw, semi-tanned and tanned
Tobacco
Essential oils
Shellac
Vegetable oils including Castor oil
Jute bags
Jute cloth
Coffee
Tea
Spices (black pepper and cardamom)
Bananas fresh
Cashew kernels
Cotton piecegoods
Woollen cloth
Leather footwear
Opium
Handcrafts
Cair goods
Sheep casings
De-oiled cakes
Groundnuts H.P.S.
Drugs and Pharmaceuticals including :
 quinine salts
 strychnine

papavarine
ephedrine
steroid hormones
vitamin A natural

Various chemical products including insecticides

Books, periodicals and postage stamps

Exposed cinematographic films

Engineering products including :

metal cutting precision tools
pumps, compressors, components and ancillaries for chemical and oil industries
textile machinery including hosiery machinery and needles
fans, air-conditioners and other electro-technical appliances
zip fasteners
razor blades

Woollen and cotton knitted wear including hosiery

Men's shirts

Fancy leather goods

Fruit juices and canned fruits

Spectacle frames

Linoleum and tarpaulins

Other goods