

No. 29681

**FEDERAL REPUBLIC OF GERMANY
and
INDIA**

**Agreement concerning financial cooperation in 1990 (with
annex). Signed at New Delhi on 13 July 1990**

Authentic texts: German, Hindi and English.

Registered by Germany on 23 March 1993.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
INDE**

**Accord de coopération financière en 1990 (avec annexe).
Signé à New Delhi le 13 juillet 1990**

Textes authentiques : allemand, hindi et anglais.

Enregistré par l'Allemagne le 23 mars 1993.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
REPUBLIC OF INDIA CONCERNING FINANCIAL COOPER-
ATION IN 1990

The Government of the Federal Republic of Germany
and
the Government of the Republic of India,

in the spirit of the friendly relations existing between the Federal
Republic of Germany and the Republic of India,

desiring to strengthen and intensify those friendly relations
through financial cooperation in a spirit of partnership,

aware that the maintenance of those relations constitutes the basis
of this Agreement,

intending to contribute to social and economic development in the
Republic of India,

with reference to

- the letter of 28 December 1989 from the Embassy of the Federal
Republic of Germany in New Delhi concerning the advance
commitment for the Dadri combined gas-steam power plant and
the modernization of Rourkela steelworks,
- as well as the negotiations held from 4 to 6 April 1990 and the
Minutes of 6 April 1990,

have agreed as follows:

¹ Came into force on 13 July 1990 by signature, in accordance with article 10.

Article 1

- (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of India or other recipients to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to a total of DM 395,000,000 (three hundred and ninety-five million Deutsche Mark) for the projects referred to in Article 2 of this Agreement.
- (2) The Government of the Federal Republic of Germany shall enable the Government of the Republic of India or other recipients to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau, Frankfurt/Main, financial contributions up to a total of DM 30,000,000 (thirty million Deutsche Mark) for the projects referred to in Article 3 of this Agreement.

Article 2

- (1) The loans referred to in Article 1 (1) of this Agreement shall be used for the following projects:
- (a) loans up to a total of DM 301,800,000 (three hundred and one million eight hundred thousand Deutsche Mark) shall be used for the following projects if, after examination, they have been found eligible for promotion:
- (aa) modernization of Rourkela steelworks,
 - (bb) Dadri combined gas-steam power plant,
 - (cc) Uran combined gas-steam power plant,
 - (dd) railway investment programme II,

- (ee) 30 MW thermal solar power plant,
 - (ff) Orissa irrigation projects,
 - (gg) selected programmes of NABARD;
- (b) a loan of up to DM 5,000,000 (five million Deutsche Mark) shall be made available to increase former loans provided to finance capital goods to meet India's civilian requirements whose order value in individual cases does not exceed DM 7,000,000 (seven million Deutsche Mark). In exceptional cases, supplies worth up to DM 10,000,000 (ten million Deutsche Mark) may be included in this procedure. Orders worth over DM 2,000,000 (two million Deutsche Mark) shall be subject to the prior approval of the Kreditanstalt für Wiederaufbau. The Government of the Federal Republic of Germany proceeds on the understanding that the Government of the Republic of India will utilize the counterpart rupee funds accruing from the sale of the Deutsche Mark so loaned for development projects;
- (c) loans up to a total of DM 10,000,000 (ten million Deutsche Mark) shall be made available to Indian financing institutions for the purpose of promoting investment projects of medium-sized private enterprises of the processing industry if, after examination, the projects have been found eligible for promotion.

Of this amount

- (aa) the Industrial Credit and Investment Corporation of India (ICICI) shall receive up to DM 5,000,000 (five million Deutsche Mark) and
- (bb) the Industrial Finance Corporation of India (IFCI) shall receive up to DM 5,000,000 (five million Deutsche Mark);

- (d) a loan of up to DM 78,200,000 (seventy-eight million two hundred thousand Deutsche Mark) shall be utilized to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement. The supplies and services must be such as are covered by the list annexed to this Agreement and for which shipping documents for up to DM 45,000,000 (forty-five million Deutsche Mark) have been drawn up after 17 January 1990 or which have been provided after that date. The key date for the remaining DM 33,200,000 (thirty-three million two hundred thousand Deutsche Mark) is 6 April 1990. When utilizing these amounts, favourable consideration shall be given to the requirements of enterprises established in India with German financial participation, as well as to holders of German licences, to the extent that such requirements are not to be met within the scope of the measures adopted by the Government of the Republic of India for the liberalization of imports. The Government of the Federal Republic of Germany proceeds on the understanding that the Government of the Republic of India will utilize the counterpart rupee funds accruing from the sale of the Deutsche Mark so loaned for development projects.
- (2) The projects referred to in paragraph 1 (a), (b) and (c) above may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Republic of India so agree.