

April 04, 1968

**AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE SOCIALIST  
REPUBLIC OF ROMANIA ON ECONOMIC AND TECHNICAL CO-OPERATION**

**New Delhi**

The Government of India and the Government of the Socialist Republic of Romania,  
ANIMATED by the desire to develop economic and technical co-operation between the two countries  
on the basis of equality and mutual benefit,  
HAVE agreed as follows :

**Article 1**

The Government of the Socialist Republic of Romania will enable their concerned organisations to deliver equipment, machinery, spare parts and materials which are not available in India under the terms and conditions mentioned in this Agreement for purposes which may mutually be agreed upon between the two Governments.

The Romanian organisations, at the request of the Indian organisations, will render assistance in carrying out studies and research works, deliver designs, grant technical assistance for erection and putting into operation of the equipment and provide technical training for Indian personnel within the scope to be agreed upon between Indian and Romanian organisations.

The Government of the Socialist Republic of Romania agree to utilise the payments due in respect of the Romanian deliveries and other services for purchase of iron ore and also for purchase of steel products and other non-traditional items from India.

**Article 2**

The terms and conditions and scope of co-operation in deliveries of equipment, machinery, spare

parts and materials, as well as services to be rendered by Romanian organisations will be stipulated in the respective contracts to be entered into between Indian and Romanian organisations.

The terms and conditions for the sale of iron ore and other products by Indian organisations will be determined by suitable contracts between the concerned Indian organisations and Romanian organisations.

### **Article 3**

The prices of goods to be purchased and sold under this Agreement will be based on internationally competitive prices and shall be agreed upon together with the other conditions of sale between India and Romanian organisations concerned at the time of concluding specific contracts.

The prices in the individual contracts for purchases under this Agreement shall be expressed in Indian rupees and contain among other necessary particulars, the appropriate parity clause.

### **Article 4**

Indian and Romanian organizations, when implementing the present Agreement shall promote the maximum possible participation of Indian organisations in the execution of design works and deliveries of equipment and materials. The volume of designing work and supply of equipment to be carried out by Indian and Romanian organisations will be determined in the relevant contracts.

### **Article 5**

The payment terms for the Romanian deliveries of equipment, machinery, spare parts and materials will be as follows :

1. 5% of the contract value within a period of 60 days from the date of concluding the contracts;
2. 10% of the contract value after presentation of the shipping documents; and
3. 85% of the contract value on credit basis payable in 10 equal yearly instalments. The first instalment shall be paid one year after the shipment of the last essential equipment necessary for putting the plant into operation.

The amount of the credit actually utilised will bear an interest of 2.5 per cent per annum. The date on which the National Bank of the Socialist Republic of Romania honours the shipping documents presented by the Romanian organisations for the respective deliveries shall be considered the date of utilisation of the credit.

### **Article 6**

The two down payment indicated in (a) and (b) of Article 5 and payments relating to any project work, technical and other services shall be effected by the Indian organisations in cash in accordance with the provisions of the Trade and Payments Agreement between the two countries.

### **Article 7**

The repayment of the credit and payment of the interest shall be credit to a special account styled as the "Indo Romanian Credit Repayment Account" to be maintained by the Reserve Bank of India, Bombay, in the name of the National Bank of the Socialists Republic of Romania.

No charges will be levied for the maintenance of this account.

**Article 8**

The Government of India (Ministry of Finance) and the National Bank of the Socialist Republic of Romania acting as agent of the Government of the Socialists Republic of Romania shall mutually agree upon the necessary financial and banking procedures for putting this Agreement into effect.

**Article 9**

Both Governments undertake to do their best to enable conclusion of commercial contracts as early as possible and for their proper implementation.

**Article 10**

In order to facilitate smooth implementation of this Agreement, both Governments shall consult each other. After such consultations, if necessary, a meeting of the representatives of both Governments will be convened at the request of either Government at any time as soon as possible.

In case of disputes between Indian and Romanian organisations in respect of their contracts, the representatives of both Governments shall consult each other in order to bring about mutual agreement.

**Article 11**

The Government of India and the Government of the Socialist Republic of Romania will permit the export/import of the goods in accordance with their regulations.

**Article 12**

This Agreement shall come into force on the date of its signature and shall remain in force until all obligations arising from the implementation of this Agreement are fulfilled.

DONE and signed in New Delhi on the 4th April 1968, in the English language, in two originals, both texts being equally authentic.

For the Government of India  
Sd/-  
K C PANT

For the Government of the  
Socialists Republic of Romania  
Sd/-  
GH. CIOARA

Minister of Foreign Trade of the  
Socialist Republic of Romania  
New Delhi  
4th April, 1968

Your Excellency,

I acknowledge with thanks the receipt of your today's letter which read as follows :

"With reference to Article 1 of the Agreement on Economic and Technical Co-operation between our two Governments signed today, I have the honour to state the understanding reached between us as follows :

During the discussions it was agreed that the following projects could be usefully considered for Indo-Romanian co-operation :

1. Oil Refineries including Haldia Refinery
2. Fertilizer Plants
3. Chemical Plants
4. Ships including tankers
5. Petro-chemical Plants
6. Soda Ash Plants
7. Lube Oil Plant in Cochin
8. Any other projects that may be mutually agreed upon.

The above list is illustrative and may undergo changes and additional projects may be taken up by mutual agreement.

I shall be grateful if you will kindly confirm that this letter correctly sets out the understanding reached between us."

I confirm herewith that the above mentioned letter correctly sets out the understanding reached between us.

Please accept, Your Excellency, the assurances of my highest consideration.

Yours sincerely,

Sd/-  
CHEORGHE CIOARA  
His Excellency Mr K C PANT  
Minister in the Ministry of Finance  
Government of India  
New Delhi