

1. India has consulted with the Fund in accordance with paragraph 4(d) of the extended arrangement for India (EBS/81/198, Sup. 3, 11/13/81), as amended (EBS/81/198, Sup. 4, 2/24/82; and EBS/82/102, 6/11/82), in order to reach understandings with the Fund regarding policies and measures that India will pursue through March 31, 1984.

2. The letter dated June 8, 1983 from the Minister of Finance of India, together with the annexed Statement of Policies shall be attached to the extended arrangement for India, as amended, and the letters dated September 28, 1981 and June 8, 1982, together with the annexed Statements of Policies, shall be read as supplemented by the letter dated June 8, 1983.

3. Accordingly, India will not make purchases under the extended arrangement from July 22, 1983:

(a) during any period in which the data at the end of the preceding period indicate that:

(i) the ceiling on total domestic credit as specified in paragraph 5 of the Statement of Policies annexed to the letter dated June 8, 1983; or

(ii) the ceiling on the net credit to the Government as specified in paragraph 5 of the Statement of Policies and annexed to the letter dated June 8, 1983 is not observed; or

(b) if India fails to observe the limits on official contracting and guaranteeing of nonconcessional loans as specified in paragraph 16 of the Statement of Policies annexed to the letter dated June 8, 1983; or

(c) during any period after January 29, 1984, until the review with the Fund contemplated in paragraph 3 of the letter dated June 8, 1983 has been completed, or if following that review, any performance criteria established by the Fund pursuant to the review are not observed.

4. Paragraph 4(d) of the extended arrangement for India shall be amended to read as follows:

(d) for the period from April 1, 1984 to the end of the extended arrangement, if before June 30, 1984, suitable performance clauses for this period have not been established in consultation with the Fund or if such clauses, having been established, are not observed; or....

5. Purchases under the extended arrangement for India shall not, without the consent of the Fund, exceed the equivalent of SDR 3,900 million until June 30, 1984, provided that purchases shall not exceed the equivalent of SDR 3,100 million until October 30, 1983; the equivalent of SDR 3,300 million until January 30, 1984; and the equivalent of SDR 3,700 million until April 30, 1984.

Decision No. 7473-(83/109), adopted
July 22, 1983