

TREATY OF TRANSIT
BETWEEN
THE GOVERNMENT OF INDIA
AND
HIS MAJESTY'S GOVERNMENT OF NEPAL

The Government of India and His Majesty's Government of Nepal (hereinafter also referred to as the Contracting Parties),

Animated by the desire to maintain, develop and strengthen the existing friendly relations and co-operation between the two countries,

Recognising that Nepal as a land-locked country needs freedom of transit, including permanent access to and from the sea, to promote its international trade,

And recognising the need to facilitate the traffic-in-transit through their territories,

Have resolved to extend the validity of the existing Treaty of Transit, with modifications mutually agreed upon, and

Have for this purpose appointed as their plenipotentiaries the following persons, namely,

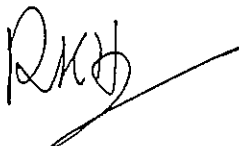
For the Government of India
Shri Ramakrishna Hegde
Minister of Commerce

For His Majesty's Government of Nepal
Shri Purna Bahadur Khadka
Minister of Commerce

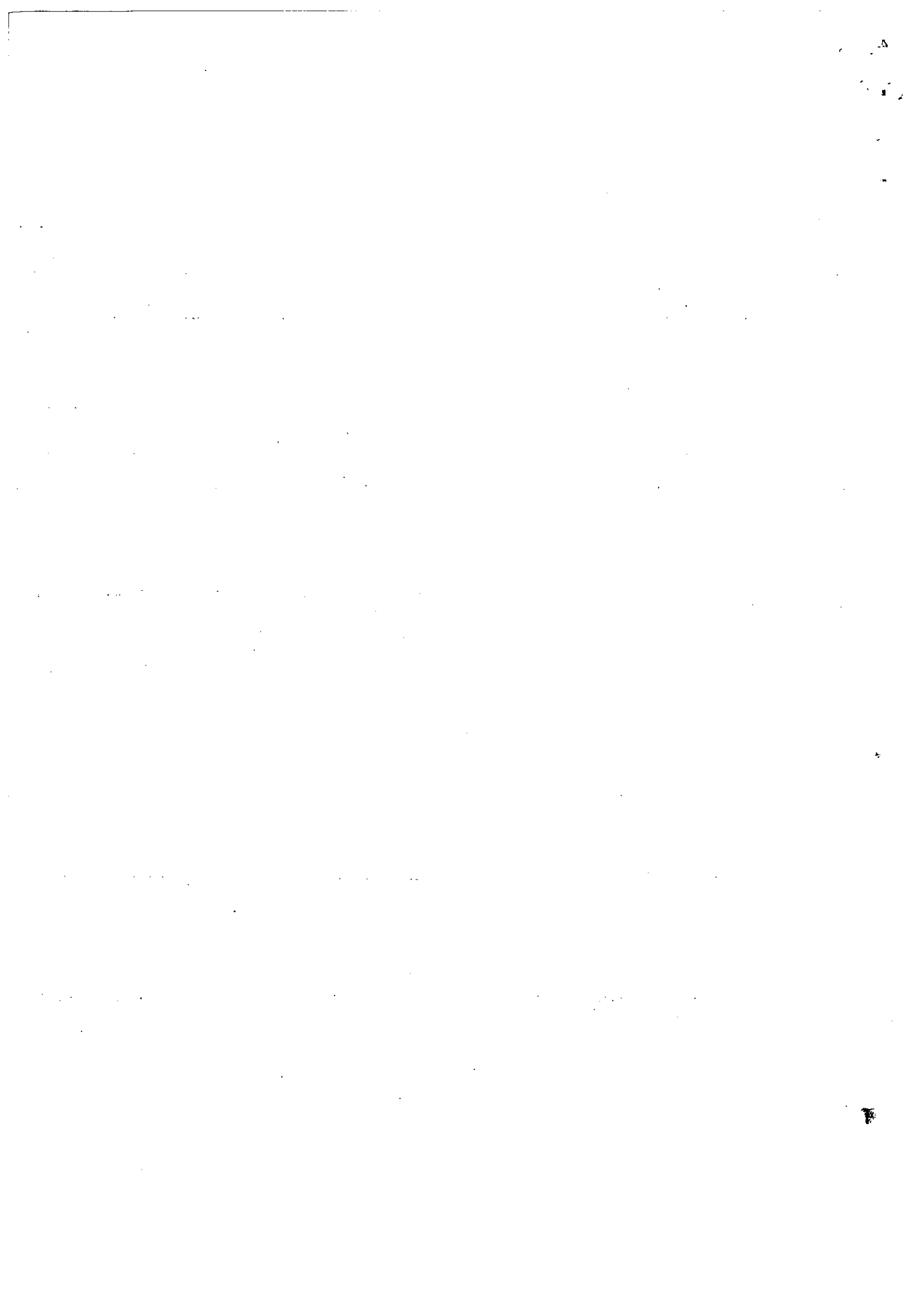
Who, having exchanged their full powers, and found them good and in due form, have agreed as follows:

ARTICLE I

The Contracting Parties shall accord to "traffic-in-transit" freedom of transit across their respective territories through routes mutually agreed upon. No distinction shall be made which is based on flag of







vessels, the places of origin, departure, entry, exit, destination, ownership of goods or vessels.

ARTICLE III

- (a) Each Contracting Party shall have the right to take all indispensable measures to ensure that such freedom, accorded by it on its territory, does not in any way infringe its legitimate interests of any kind.
- (b) Nothing in this Treaty shall prevent either Contracting Party from taking any measures which may be necessary for the protection of its essential security interests.

ARTICLE III

The term "traffic-in-transit" means the passage of goods, including unaccompanied baggage, across the territory of a Contracting party when the passage is a portion of a complete journey which begins or terminates within the territory of the other Contracting Party. The transshipment, warehousing, breaking bulk and change in the mode of transport of such goods as well as the assembly, dis-assembly or re-assembly of machinery and bulky goods shall not render the passage of goods outside the definition of "traffic-in-transit" provided any such operation is undertaken solely for the convenience of transportation. Nothing in this Article shall be construed as imposing an obligation on either Contracting Party to establish or permit the establishment of permanent facilities on its territory for such assembly, dis-assembly, or re-assembly.

ARTICLE IV

Traffic-in-transit shall be exempt from customs duties and from all transit duties or other charges, except reasonable charges for transportation and such other charges, as are commensurate with the costs of services rendered in respect of such transit.

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ARTICLE V

For convenience of traffic-in-transit, the Contracting Parties agree to provide at point or points of entry or exit, on such terms as may be mutually agreed upon and subject to relevant laws and regulations prevailing in either country, warehouses or sheds, for the storage of traffic-in-transit awaiting customs clearance before onward transmission.

ARTICLE VI

Traffic-in-transit shall be subject to the procedure laid down in the Protocol hereto annexed and as modified by mutual agreement. Except in cases of failure to comply with the procedure prescribed, such traffic-in-transit shall not be subject to avoidable delays or restrictions.

ARTICLE VII

In order to enjoy the freedom of the high seas, merchant ships sailing under the flag of Nepal shall be accorded, subject to Indian laws and regulations, treatment no less favourable than that accorded to ships of any other foreign country in respect of matters relating to navigation, entry into and departure from the ports, use of ports and harbour facilities, as well as loading and unloading dues, taxes and other levies, except that the provisions of this Article shall not extend to coastal trade.

ARTICLE VIII

Notwithstanding the foregoing provisions, either Contracting Party may maintain or introduce such measures or restrictions as are necessary for the purpose of:

- (i) protecting public morals;
- (ii) protecting human, animal and plant life;
- (iii) safeguarding of national treasures;



- (iv) safeguarding the implementation of laws relating to the import and export of gold and silver bullion; and
- (v) safeguarding such other interests as may be mutually agreed upon.

ARTICLE IX


Nothing in this Treaty shall prevent either Contracting Party from taking any measures which may be necessary in pursuance of general international conventions, whether already in existence or concluded hereafter, to which it is a party, relating to transit, export or import of particular kinds of articles such as narcotics and psychotropic substances or in pursuance of general conventions intended to prevent infringement of industrial, literary or artistic property or relating to false marks, false indications of origin or other methods of unfair competition.

ARTICLE X

In order to facilitate effective and harmonious implementation of this Treaty the Contracting Parties shall consult each other regularly.

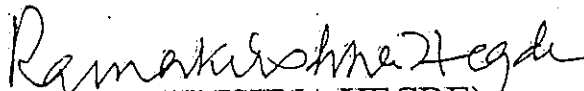
ARTICLE XI


The revalidated and modified Treaty shall enter into force on the 6th January, 1999. It shall remain in force upto the 5th January, 2006 and shall, thereafter, be automatically extended for a further period of seven (7) years at a time, unless either of the parties gives to the other a written notice, six months in advance, of its intention to terminate the Treaty provided further that the modalities, routes, conditions of transit and customs arrangement, as contained in the Protocol and Memorandum to the Treaty shall be reviewed and modified by the Contracting Parties every seven years, or earlier if warranted, to meet the changing conditions before the automatic renewal and such modifications shall be deemed to be the integral part of the Treaty.



This Treaty may be amended or modified by mutual consent of the Contracting Parties.

Done at Kathmandu on 5th January, 1999.


(RAMAKRISHNA HEGDE)
Minister of Commerce
for the Government of India


(PURNA BAHADUR KHADKA)
Minister of Commerce
for His Majesty's Government of
Nepal

**PROTOCOL
TO THE TREATY OF TRANSIT
BETWEEN
INDIA AND NEPAL**

I. With Reference to Article V

1. The following warehouses, sheds and open space, or such other warehouses, sheds and open space as the Trustees of the Port of Calcutta may offer in lieu thereof, shall be made available for the storage of transit cargo (other than hazardous goods) meant for transit to and from Nepal through India in accordance with the procedure contained in the Memorandum to the Protocol:

(i) COVERED ACCOMMODATION

'A' Shed Kidderpore Docks - Covering approximately
(including 'A' Annex) 3135 square metres

Shed No. 27, Kidderpore - Covering approximately
3700 square metres

Calcutta Jetty Shed No.8 - Ground Floor

(ii) OPEN SPACE

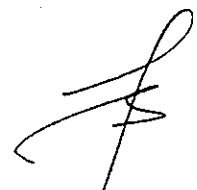
Open land at Circular Garden Reach Road - Covering approximately
4972 square metres

Residential cum office land space at Haldia - Covering approximately
2000.00 square metres

Open land space at Haldia dock interior zone - Covering approximately
6985.00 square metres

2. The above storage facilities shall be given on lease by the Trustees of the Port of Calcutta (hereinafter referred to as the Trustees) to an undertaking incorporated in accordance with the relevant Indian laws and designated by His Majesty's





Government of Nepal for this purpose (hereinafter referred to as the Lessee).

3. The terms of the leases to be entered into between the Trustees and the Lessee shall conform to the 'Long-term Lease-Godown' and 'Commercial Lease-Land Long-term' of the Trustees. The leases will be for twenty-five years.
4. Kidderpore Docks berth No.27 shall be assigned by Calcutta Port Trust as a preferential berth to the Lessee on such terms as applicable from time to time to shipping lines of India if such a lease is finalised within six months of the renewal of the Treaty. If, however, this option is not exercised within this period, charter vessels carrying traffic-in-transit of Nepal may be assigned to 27 K.P.D. berth on a priority basis, to the extent possible.
5. The lease rent shall be determined in accordance with the schedules of rent charges as determined by the Trustees-in-Meeting from time to time.
6. The transit cargo shall be subject to the levy of all charges by the Trustees in accordance with their schedule of charges in force from time to time.
7. The Lessee shall be permitted to own or operate a number of trucks and barges in the port area in connection with the storage of cargo in transit in the said areas, subject to compliance with the normal rules and regulations applicable to trucks and barges plying in the port area.
8. The Commissioner of Customs, Calcutta, in accordance with the relevant provisions of the laws and regulations, will provide the Lessee a Customs House Agent's licence for the clearance at the Port of Calcutta of traffic-in-transit from and to Nepal. If a licence is also required from the Port of Calcutta for this work, Calcutta Port Trust will provide such licence in accordance with the relevant provisions of their byelaws/regulations.

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9. The owner of goods or the Lessee, if authorised by owner, may under the supervision of the proper officer of the Indian Customs:

- (i) inspect the goods;
- (ii) separate damaged or deteriorated goods from the rest;
- (iii) sort the goods or change their containers for the purpose of preservation for onward transmission; and
- (iv) deal with the goods and their containers in such a manner as may be necessary to prevent loss of, deterioration of or damage to the goods.

10. The warehouses shall function during the normal working hours under the supervision of officers to be provided by the Calcutta Customs House. Where, however, such functioning is necessary outside the office hours, officers for supervision would be provided by the said Customs House on payment of the prescribed fees.

II. With Reference to Article VI

1. Traffic-in-transit via Calcutta shall -

(i) pass only through one of the mutually agreed routes connecting the following entry and exit points :

(a)	Calcutta	Sukhia Pokhri
(b)	Calcutta	Naxalbari (Panitanki)
(c)	Calcutta	Galgalia
(d)	Calcutta	Jogbani
(e)	Calcutta	Bhimnagar
(f)	Calcutta	Jayanagar
(g)	Calcutta	Bhitamore (Sitamarhi)
(h)	Calcutta	Raxaul
(i)	Calcutta	Nautanwa (Sonauli)
(j)	Calcutta	Barhni
(k)	Calcutta	Jarwa
(l)	Calcutta	Nepalgunj Road

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|-----|----------|--------------|
| (m) | Calcutta | Tikonia |
| (n) | Calcutta | Gauri-Phanta |
| (o) | Calcutta | Banbasa |

Note : Calcutta shall include Haldia.

Provided that:

- (a) these routes may be discontinued or new ones added by mutual agreement;
 - (b) the traffic-in-transit shall be allowed to move through alternative road or roads, with prior permission of the nearest Indian Customs Officer, not below the rank of Superintendent, if the specified road or roads become unserviceable or unusable due to unforeseen events; and
 - (c) bulk traffic, such as fertilizer, cement, etc. moving by rail shall pass through the route connecting Calcutta and Raxaul, or any other agreed route, subject to prior intimation being given to Indian Customs as and when such movements are anticipated.
- (ii) comply with the procedure as set out in the Memorandum annexed hereto; and
 - (iii) comply with any other detailed regulations, which may be prescribed through mutual consultation by the Contracting Parties in keeping with the nature of the commodity and the need for expeditious movement and the safety of transport.
2. Wherever en-route it becomes necessary to break bulk in respect of consignments in transit, such breaking shall be done only under the supervision of the appropriate officials of the Indian Customs.
 3. All goods intended for transit to Nepal, while in the process of removal to or from the warehouses or other storage places that may be leased out in Calcutta Port for the storage of such

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goods and also while in storage or under the process of packing, sorting, separation, etc., in such warehouses or storage places, shall be subject to Indian laws and regulations.

4. The procedure in the following sub-paragraphs shall apply, mutatis mutandis, to road / rail transport:

(a) Arms, ammunition and hazardous cargo shall not be allowed to be transported by road.

NOTE :

1. With reference to hazardous cargo exception can be permitted as shall be mutually agreed.

2. Petroleum products, chemical fertilizer and industrial alcohol shall be allowed, as exceptions in terms of Note 1 above, to be transported by road, subject to compliance with fire, safety and other statutory requirements.

(b) Sensitive goods for imports, as specified by the Government of India from time to time with prior intimation to His Majesty's Government of Nepal, shall be permitted transit by marine container or pilfer-proof container trucks or railway wagons at the option of the importer.

(c) Bulk cargo such as boulders, fertilizer, cement, vegetables and fruits shall be permitted in open trucks also.

(d) Goods other than those mentioned at sub-paragraphs (a), (b) and (c) above shall be permitted transit by railway wagons or marine containers or pilfer-proof container trucks or any other trucks, capable of being sealed in a manner that will leave no visible trace of tampering, at the option of the importer.

(e) Pilfer-proof container trucks shall conform to specifications mutually agreed upon and shall be

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capable of being locked and sealed. The containers shall be locked and sealed by the Indian Customs.

(f) Individual packages shall be sealed by Indian Customs provided that :

(i) sealing of individual packages may be dispensed with when they are imported packed in recognised containers, provided the entire contents of the container are consigned to the same person and the container is sealed and the provision of sub-paragraph (e) above is complied with;

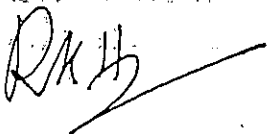
(ii) sealing of individual packages may also be dispensed with when consignments consigned to different consignees are imported packed in one single recognised container, provided the entire contents of the container are transported in one single sealed container (not trucks) and the provision of sub-paragraph (e) above is complied with.

(g) If the truck breaks down, the nearest customs officer shall be approached with the least possible delay.

(h) The Contracting Parties may mutually agree to any other modifications that may be considered necessary from time to time.

5. Respecting each other's relevant laws, it is agreed that the Contracting Parties will take all steps to prevent deflection of their mutual trade to third countries and to ensure compliance with the procedure for the transit of goods across their territories.

6. In order to facilitate the movement of traffic-in-transit, additional means of transport and facilities, mutually agreed upon, may be added.





MEMORANDUM TO THE PROTOCOL TO THE TREATY OF TRANSIT BETWEEN INDIA AND NEPAL

In pursuance of and subject to the provisions of the Protocol to the Treaty of Transit, the Government of India and His Majesty's Government of Nepal agree that the following detailed procedure shall apply to traffic-in-transit :

IMPORT PROCEDURE

When goods are imported from third countries for Nepal in transit through India, the following procedure shall be observed :-

1. (a) Transit of Nepalese imports, shall be allowed against import licences issued by His Majesty's Government of Nepal, wherever such licences are issued, and letters of credit opened through a commercial bank in Nepal.

(b) In case of Nepalese imports for which there is no requirement of import licence or letter of credit, the Royal Nepalese Consul General, Deputy Consul General or Consul at Calcutta shall furnish the following certificate on the Customs Transit Declaration :

"I have verified that the goods specified in this Declaration and of the quantity and value specified herein have been permitted to be imported by His Majesty's Government of Nepal without the requirement of import licence or letter of credit."

Signature and Seal

NOTE: His Majesty's Government of Nepal shall arrange to supply through the Embassy of India at Kathmandu or directly to the Commissioner of Customs, Calcutta, the specimen signature or signatures of official or officials who are authorised to sign import licences issued by His

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Majesty's Government of Nepal. It shall also arrange to have a copy each of the import licences, wherever such licences are issued by it for such goods, sent directly to the Commissioner of Customs, Calcutta.

2. At the Indian port of entry (hereinafter called the Custom House), the importer or his agent (hereinafter referred to as the importer) shall present a Customs Transit Declaration containing the following particulars :

- (a) Name of the ship, Rotation number and Line number;
- (b) Name and address of the importer;
- (c) Number, description, marks and serial numbers of the packages;
- (d) Country of consignment and country of origin, if different;
- (e) Description of goods;
- (f) Quantity of goods;
- (g) Value of goods;
- (h) Import licence number and date;
- (i) Letter of credit number, date and name and address of issuing bank;
- (j) Route of transit (one of the mutually agreed routes); and
- (k) A declaration at the end in the following words :-

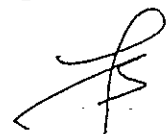
"I/We declare that the goods entered herein are for Nepal, in transit through India and shall not be diverted en-route to India, or retained in India.

I/We declare that all the entries made herein above are true and correct to the best of my/our knowledge and belief."

Signature

3. The Customs Transit Declaration shall be made in sextuplicate. All copies along with the bill of lading, invoice, packing list and a copy of the import licence issued by His Majesty's Government of Nepal, wherever such licence is issued, and a copy of the letter of credit, authenticated by the Royal Nepalese Consulate in Calcutta or the issuing bank,

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shall be presented to the Custom House. The copy of the import licence and the letter of credit so presented shall be examined by the Custom House against the copy of the import licence and / or the statement of particulars of the letter of credit received directly from His Majesty's Government of Nepal. No other additional document may be asked for, except where considered necessary for clearance of specific goods.

4. Nepalese imports shall be removed to Nepal sheds within free time, if not already put in wagons or trucks. An authorisation with removal instructions of the owner for the purpose shall be necessary for removal.

5. (a) In respect of containerised cargo, the following examination procedure shall be followed :

(i) On arrival of the Nepalese containerised cargo, the Indian customs officer posted at the sea port, shall merely check the 'one-time-lock' of the container put on by the shipping agent or the carrier authorised by the shipping company. If found intact, the customs officer shall allow transportation of the containerised cargo, without examination, unless there are valid reasons to do otherwise.

(ii) In case where the 'one-time-lock' on the container arriving at the sea port in India is found broken or defective, the Indian customs authorities shall make due verification of the goods to check whether the same are in accordance with the Customs Transit Declaration, put fresh 'one-time-lock' and allow the container to move to the destination. The serial number of the new 'one-time-lock' shall be endorsed in the Customs Transit Declaration.

(b) In respect of non-containerised cargo, the Custom House shall make a selective percentage examination of the goods to check whether the goods are in accordance with the

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Customs Transit Declaration and conform to the import licence, wherever such licence is issued, and the letter of credit. Goods for Nepal as covered by the said licence and / or the said letter of credit and also in accordance with the Customs Transit Declaration shall be approved for onward transmission. However, in making such examination, avoidable delays shall be curtailed to the utmost in order to expedite the traffic-in-transit.

NOTE: The selective percentage examination referred to in sub-paragraph 5(b) shall mean that a percentage of the total packages in a consignment will be selected for examination and not that a percentage of the contents of each of the packages comprised in the consignment will be examined.

6. Goods shall be transported from the customs port of entry to the border land customs station by the means of the transport provided in sub-paragraphs (a), (b), (c) and (d) of paragraph 4 of the Protocol with reference to Article VI of the Treaty of Transit and shall be locked and sealed in the manner provided in sub-paragraph (e) of paragraph 4 of the Protocol with reference to Article VI of the Treaty of Transit after examination as mentioned above.
7. Where goods cannot be transported in closed wagons or pilfer-proof container trucks or sealed tarpaulin covered trucks and have to be transported in open wagons or flats or open trucks, detailed identifying particulars shall be recorded in the Customs Transit Declaration.
8. Small consignments of traffic-in-transit will be accepted for booking by railway from one of the agreed warehouses leased to Nepal Transit and Warehousing Company Ltd. provided the minimum load condition as applicable in Indian Railways is satisfied.
9. The sensitive goods, as specified by the Government of India from time to time with prior intimation to His Majesty's Government of Nepal, shall be covered by an insurance policy or a bank guarantee and/or such legally binding undertaking

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to the satisfaction of the Commissioner of Customs, Calcutta, in the manner indicated below :-

(a) Goods moving by rail upto the border shall be covered by an insurance policy or a bank guarantee, at the option of the importer, for an amount equal to the Indian customs duties on such goods. This insurance policy or bank guarantee shall be assigned to the Commissioner of Customs, Calcutta, and the amount shall become payable to the Commissioner in the event of the goods not reaching Nepal.

(b) Goods moving by road in trucks belonging to Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation shall be covered by an insurance policy or a bank guarantee, at the option of the importer, for an amount equal to the Indian customs duties on such goods. This insurance policy or bank guarantee shall be assigned to the Commissioner of Customs, Calcutta, and the amount shall become payable to the Commissioner in the event of the goods not reaching Nepal. In addition, Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation, as the case may be, shall give an undertaking to the Commissioner of Customs, Calcutta, to pay the difference between the market value of goods in India and their c.i.f. value plus Indian customs duties in the event of the goods not reaching Nepal.

(c) Goods moving by road in trucks other than those mentioned at sub-paragraph (b) above shall be covered by an insurance policy or a bank guarantee, at the option of the importer, for an amount equal to the difference between the market value of the goods in India and their c.i.f. value. This insurance policy or bank guarantee shall be assigned to the Commissioner of Customs, Calcutta, and the amount shall become payable to the Commissioner in the event of the goods not reaching Nepal.

(d) The insurance policy shall be obtained by the importer from an insurance company authorised to do business in India on such terms and conditions, to the satisfaction of the Commissioner of Customs, Calcutta, which will guarantee that the insured amount shall become payable forthwith to the

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Commissioner on receipt of a notice to the insurance company from the Commissioner of Customs, Calcutta, after satisfying himself that the goods have not reached Nepal.

NOTE :

1. In respect of goods belonging and consigned to His Majesty's Government of Nepal under sub-paragraphs (a) and (b) above, no insurance or bank guarantee shall be required, provided an undertaking or a further undertaking, as the case may be, is given by Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation in lieu thereof.
 2. No such requirement will be necessary in respect of goods carried by air without transshipment en-route or in such cases as may be mutually agreed upon.
 3. In the event of goods carried by rail not reaching the booked destination, Indian Railways shall, where liable as carriers under the Indian Railways Act, pay the c.i.f. price to the importer.
 4. When the Customs Transit Declaration, duly endorsed and authenticated, both by the border land customs stations in India and Nepal, is received at the corresponding Indian border land customs station within the prescribed period, it will be accepted as an evidence that goods have reached Nepal.
 5. The expression "Indian customs duties" wherever it appears in the Treaty, Protocol and Memorandum shall mean such duties as are levied on import of goods into India.
- 9A. For goods other than those specified as sensitive by the Government of India in terms of paragraph 9 above, the importer shall furnish, to the satisfaction of the Commissioner of Customs, Calcutta, a legally binding undertaking that the amount equal to the difference between the market value of the goods in India and their c.i.f. value shall be paid, on demand,

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to the Commissioner of Customs, Calcutta, in the event of the goods not reaching Nepal.

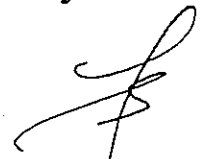
9B. The Commissioner of Customs, Calcutta, shall provide to the concerned department of His Majesty's Government of Nepal, from time to time, details of cases where the goods, including those goods which have not been insured, do not appear to have crossed into Nepal. His Majesty's Government of Nepal shall thereupon carry out enquiries and make all possible efforts to ensure that the concerned persons pay the dues to the Government of India.

10. After the Custom House is satisfied as regards the checks contemplated in the preceding paragraphs, it shall endorse all the copies of the Customs Transit Declaration. The original copy shall be handed over to the importer. The duplicate and triplicate will be sent by post to the Indian border customs officer and the remaining copies shall be retained by the Custom House. In order to avoid delay in postal transmission, duplicate and triplicate copies of the Customs Transit Declaration, along with copy of the original railway receipt, shall be handed over to the importer or his authorised representative in a sealed cover, if he so desires. This facility shall, however, be denied to the importer who defaults in the production of these documents within a reasonable time to the Indian border customs officer.

11. In case of any suspicion of pilferage, traffic-in-transit shall be subject to checks by the Indian Customs during the period that they are in transit, as may be necessary, particularly at the point of railway transshipment from broad-gauge to meter-gauge.

12. (a) On arrival of the containerised cargo at the border land customs station or at the border railway station, as the case may be, the following examination procedure will be followed:

(i) On arrival of the Nepalese containerised cargo, the Indian Customs authorities posted at the land customs station or the railway station shall merely check the 'one-time-lock' of the container put on by the



shipping agent or the carrier authorised by the shipping company or the customs authorities at the sea port or during the transit and, if found intact, shall approve for onward transmission of the containerised cargo, without examination of the cargo unless there are valid reasons to do otherwise.

(ii) In case where the 'one-time-lock' of the container is found broken or defective, the Indian customs authorities posted at the land customs station or the railway station, as the case may be, shall make due verification of the goods to check whether the goods are in accordance with the Customs Transit Declaration and conform to the import licence, wherever such licence is issued, and the letter of credit.

(iii) If, on verification, the goods are found in accordance with the Customs Transit Declaration and conform to the import licence, wherever such licence is issued, and the letter of credit, the Indian customs authorities posted at the border land customs station or the railway station shall put fresh 'one-time-lock' and approve for onward transmission of the container. The serial number of the new 'one-time-lock' shall be endorsed by the Indian customs authorities posted at the border land customs station or the railway station on the Customs Transit Declaration.

(b) On arrival of the non-containerised cargo at the border land customs station or at the border railway station, as the case may be, the following examination procedure will be followed:

(i) The sealed railway wagons or the sealed marine containers or the sealed pilfer-proof containerised trucks or the sealed tarpaulin covered trucks, as the case may be, shall be presented to the Indian customs authorities posted at the border land customs station or the railway station, who shall examine the seals and locks and, if satisfied, shall permit onward transmission, or the unloading or breaking of bulk, as the case may be,

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without examination of the cargo unless there are valid reasons to do otherwise.

(ii) In cases where the seals and locks on the wagons or on the marine containers or on the pilfer-proof containerised trucks or on the tarpaulin covered trucks or on the packages are found broken or defective, or there is suspicion otherwise, the Indian customs authorities posted at the border land customs station or the railway station, as the case may be, shall examine the goods to check whether the goods are in accordance with the Customs Transit Declaration and conform to the import licence, wherever such licence is issued, and the letter of credit. Goods for Nepal, as covered by the said licence, wherever such licence is issued, and the said letter of credit and also in accordance with the Customs Transit Declaration shall be approved for onward transmission through such escorts or supervision as may be necessary to ensure that the goods cross the border and reach Nepal. However, in making such examination, avoidable delays shall be curtailed to the utmost in order to expedite the traffic-in-transit.

(c) On arrival of the traffic-in-transit in open trucks, or open railway wagons, the Indian customs authorities at the border land customs station shall carry out such selective percentage examination as is deemed necessary to ensure that goods are in accordance with the Customs Transit Declaration and conform to import licence, wherever such import licence is issued, and the letter of credit.

12A. On arrival of traffic-in-transit mentioned at sub-paragraphs (a), (b) and (c) of paragraph 12 above at the border land customs station or at the border railway station, as the case may be, the importer shall present the original copy of the Customs Transit Declaration duly endorsed by the Indian Custom House of entry, to the Indian customs officer at the border land customs station, who shall compare the original copy with the duplicate and triplicate received by him and will, after satisfying himself as regards the checks contemplated at sub-paragraphs (a), (b) and (c) of paragraph 12 above, endorse all the copies of the Customs Transit Declaration. The goods in transit shall be

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allowed onward movement by road or by rail or otherwise, be, only after clearance as above by the Indian customs officer at the land customs station or the railway station. The Indian customs officer shall, thereafter, through such escorts or supervision as may be necessary, ensure that the goods cross the border and reach Nepal. He, or in cases where there is an Indian customs officer posted right at the border, such officer will certify on the copies of the Customs Transit Declaration that goods have crossed into Nepal. The Indian customs officer shall then hand over the original copy of the Customs Transit Declaration to the importer, send the duplicate to the Indian Custom House at the port of entry, send the triplicate to the Nepalese customs officer at the corresponding Nepalese post and after it is received back duly endorsed by the Nepalese customs officer, retain it for his records.

13. If a consignment in transit is received at destination in more than one lot, the separate lots of the consignment covered by one Customs Transit Declaration may be presented in separate lots and the Indian customs officer at the border shall release the goods so presented after necessary examination and check of relevant documents and goods and after making the necessary endorsement. In such a case, the Indian customs officer at the border shall send the triplicate copy of Customs Transit Declaration to the Nepalese customs officer at the corresponding Nepalese post only after release of the entire consignment as covered by the Customs Transit Declaration.
14. In cases where the duplicate and triplicate copies of the Customs Transit Declaration are not received at the customs office of exit, the Indian customs office will, by telephonic or other quick means of communication with the customs office of entry, seek confirmation to ensure against delay and then on the basis of aforesaid confirmation allow despatch of goods.
15. The Nepalese customs officer shall :
 - (i) endorse a certificate over his signature and authenticate it under a customs stamps on the original copy of the Nepalese import licence, if any, letter of credit, and the original and the triplicate copy of the Customs Transit Declaration that the packages correspond in all material

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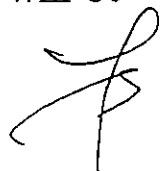
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respects with the particulars shown in the Declaration and in all material respects with the Nepalese import licence and the letter of credit, wherever required or opened as the case may be, and that the goods have been cleared from the Nepalese Customs custody for entry into Nepal.

- (ii) hand over, under acknowledgement, duly endorsed and authenticated original copy of the Customs Transit Declaration to the importer, who will present it to the corresponding Indian border land customs station, under acknowledgement, within fifteen days of the date on which transit was allowed at the Indian port of importation or such extended time as the concerned Assistant Commissioner of Indian Customs may allow. For every week or part thereof delay in presenting the original Customs Transit Declaration duly certified as above, the importer shall pay a sum of Rupee 1/- for every Rupees 1000/- of the Indian market price of the goods to the Assistant Commissioner of Customs of the concerned Indian border land customs station.
- (iii) send the triplicate copy of the Customs Transit Declaration duly endorsed directly to the corresponding Indian border land customs station.
- (iv) endeavour to send a telex/fax communication on a daily basis to the Commissioner of Customs, Calcutta, giving the number and date of the Customs Transit Declarations received by him on the day confirming that the goods covered by those Customs Transit Declarations have been received in Nepal. These particulars shall be sent by a post copy in confirmation within a week.

16. The Indian customs officer at the concerned border land customs station shall send fax/telex communication on a daily basis to the Commissioner of Customs, Calcutta, giving details of the original copies of the Customs Transit Declarations received by him on a particular day from the importer duly endorsed by the Nepalese customs authorities that the goods have been received in Nepal. The fax/telex message will be

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followed by a post copy in confirmation. The Indian border land customs station will also forward the triplicate of the duly endorsed copy of the Customs Transit Declaration on a daily basis to the Commissioner of Customs, Calcutta by Speed Post.

EXPORT PROCEDURE

When goods from Nepal are cleared for export to third countries, in transit through India, the following procedure shall be observed :

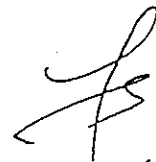
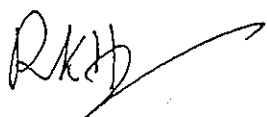
1. The designated officer in charge of the Nepalese customs office at the border shall furnish the following certificate on the Customs Transit Declaration :

"I have verified that the goods specified in this Declaration and of the quantity and value specified herein have been permitted to be exported under licence number.....dated.....(wherever issued) and under letter of credit number.....dated.....issued by.....(name and address of the issuing bank)."

Signature and Seal

Note: The requirement of giving particulars of letter of credit in the above certificate will not apply in the case of goods for the exports of which from Nepal, no letter of credit is required under the laws of Nepal.

2. The exporter or his agent (hereinafter referred to as the exporter) shall present to the Indian customs officer at the border land customs station through which the goods are to enter India, a Customs Transit Declaration containing the following particulars :
 - (a) Name and address of the exporter;
 - (b) Number, description, marks and serial numbers of the packages;



- (c) Country to which consigned;
- (d) Description of goods;
- (e) Quantity of goods;
- (f) Value of goods;
- (g) Export licence number and date;
- (h) Country of origin of the goods;
- (i) Letter of credit number, date and name and address of issuing bank;
- (j) Route of transit (one of mutually agreed routes);
- (k) Indian customs office of entry from Nepal; and
- (l) A declaration at the end in the following words :-

"I/We declare that the goods entered herein are of Nepalese origin, are for export from Nepal to countries other than India and shall not be diverted en-route to India or retained in India.

I/We declare that all the entries made herein above are true and correct to the best of my/our knowledge and belief."

Signature

3. The Customs Transit Declaration shall be made in quadruplicate. All copies, along with invoice, packing list and a copy of the letter of credit, authenticated by the concerned Nepalese bank, shall be presented to the Indian customs officer at the entry point. No additional documents will be asked for by the Indian customs, except when considered necessary for the clearance of any specific goods.
4. (a) For the containerised goods, the Indian customs authorities at the point of entry into India shall observe the following procedure :
- (i) On arrival of the Nepalese containerised cargo, the Indian customs officer posted at border land customs station shall merely check the 'one-time-lock' of the container put on by the shipping agent or the carrier authorised by the shipping company and if found intact, shall allow transportation of the containerised cargo, without examination, unless there are valid reasons to do otherwise.

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(ii) In case where the 'one-time-lock' on the container arriving at the border land customs station in India is found broken or defective, the Indian customs authorities shall make due verification of the goods to check whether the goods are in accordance with the Customs Transit Declaration and shall put fresh 'one-time-lock' and allow the container to move to the destination. The serial number of the new 'one-time-lock' shall be endorsed in the Customs Transit Declaration.

(b) The Indian customs officer at the point of entry into India shall make such selective percentage examination of packages and contents as may be necessary to check whether :

- (i) the goods are in accordance with the Customs Transit Declaration;
- (ii) the goods are such as have been specified as sensitive by the Government of India from time to time with prior intimation to His Majesty's Government of Nepal; and
- (iii) they are of origin as declared in the Customs Transit Declaration.

NOTE : The selective percentage examination referred to in sub-paragraph 4(b) above shall mean that a percentage of the total packages in a consignment will be selected for examination and not that a percentage of the contents of each of the packages comprised in the consignment will be examined.

5. The goods, as specified as sensitive by the Government of India from time to time with prior intimation to His Majesty's Government of Nepal, shall be transported from the Indian customs border post to Calcutta port in closed railway wagons or in pilfer-proof containers (to be provided by the exporter) which can be securely locked. The containers or wagons, as the case may be, shall be locked and duly sealed after the examination by the border customs officer.

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6. Where goods cannot be transported in closed wagons, and have to be transported in open wagons or flats or open trucks, detailed identifying particulars shall be recorded in the Customs Transit Declaration.
7. After the Indian customs authorities at the border land customs station are satisfied as regards the checks contemplated in the preceding paragraphs, it shall endorse all the copies of the Customs Transit Declaration. The original copy shall be handed over to the exporter. The duplicate and triplicate will be sent by post to the Commissioner of Customs, Calcutta and the quadruplicate copy shall be retained. In order to avoid delay in postal transmission, duplicate and triplicate copies of the Customs Transit Declaration, along with copy of the original railway receipt, shall be handed over to the exporter or his authorised representative in a sealed cover, if he so desires. This facility shall, however, be denied to the exporter who defaults in the production of these documents within a reasonable time.
8. The sensitive goods for export, as specified by the Government of India from time to time with prior intimation to His Majesty's Government of Nepal, shall be covered by an insurance policy or a bank guarantee and/or such legally binding undertaking to the satisfaction of the concerned Commissioner of Customs in the manner indicated below :-
 - (a) Goods moving by rail up to the sea port shall be covered by an insurance policy or a bank guarantee, at the option of the exporter, for an amount equal to the Indian customs duties on such goods. This insurance policy or bank guarantee shall be assigned to the concerned Commissioner of Customs, and the amount shall become payable to the Commissioner in the event of the goods not reaching Calcutta customs.
 - (b) Goods moving by road in trucks belonging to Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation shall be covered by an insurance policy or a bank guarantee, at the option of the exporter, for an amount equal to the Indian customs duties on such goods. This insurance policy or bank guarantee shall be assigned to the concerned

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Commissioner of Customs, and the amount shall become payable to the Commissioner in the event of the goods not reaching Calcutta customs. In addition, Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation, as the case may be, shall give an undertaking to the concerned Commissioner of Customs, to pay an amount equal to the difference between the market value of goods in India and their c.i.f. value plus Indian customs duties in the event of the goods not reaching Calcutta customs.

(c) Goods moving by road in trucks other than those mentioned at sub-paragraph (b) above shall be covered by an insurance policy or a bank guarantee, at the option of the exporter, for an amount equal to the difference between the market value of the goods in India and their c.i.f. value. This insurance policy or bank guarantee shall be assigned to the concerned Commissioner of Customs, and the amount shall become payable to the Commissioner in the event of the goods not reaching Calcutta customs.

(d) The insurance policy shall be obtained by the exporter from an insurance company authorised to do business in India on such terms and conditions, to the satisfaction of the concerned Commissioner of Customs, which will guarantee that the insured amount shall become payable forthwith to the Commissioner on receipt of a notice to the insurance company from the concerned Commissioner of Customs, after satisfying himself that the goods have not reached Calcutta customs.

NOTE:

1. In respect of goods belonging to and consigned by His Majesty's Government of Nepal under sub-paragraphs (a) and (b) above, no insurance or bank guarantee shall be required, provided an undertaking or a further undertaking, as the case may be, is given by Nepal Transit and Warehousing Company Ltd. or Nepal Transport Corporation in lieu thereof.
2. No such requirement will be necessary in respect of goods carried by air without transshipment en-route or in such cases as may be mutually agreed upon.

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3. In the event of goods carried by rail not reaching the booked destination, Indian Railways shall, where liable as carriers under the Indian Railways Act, pay the c.i.f. price to the exporter.
 4. When the Customs Transit Declaration, duly endorsed and authenticated by the Calcutta customs, is received at the concerned border land customs station within the prescribed period, it will be accepted as an evidence that goods have reached Calcutta customs.
- 8A. For goods other than those specified as sensitive by the Government of India in terms of paragraph 8 above, the exporter shall furnish, to the satisfaction of concerned Commissioner of Customs, a legally-binding undertaking that the amount equal to the difference between the market value of the goods in India and their c.i.f. value shall be paid, on demand, to the concerned Commissioner of Customs in the event of the goods not reaching Calcutta customs.
- 8B. The concerned Commissioner of Customs shall provide to the concerned department of His Majesty's Government of Nepal, from time to time, details of cases where the goods, including those goods which have not been insured, do not appear to have reached Calcutta customs. His Majesty's Government of Nepal shall thereupon carry out enquiries and make all possible efforts to ensure that the concerned persons pay the dues to the Government of India.
9. In case of any suspicion of pilferage, the goods as have been specified as sensitive by the Government of India from time to time with prior intimation to His Majesty's Government of Nepal shall, while in transit through India, be subject to such checks by the Indian customs, as may be necessary, particularly at the point of railway transshipment from meter-gauge to broad-gauge.
 10. On arrival of goods at Calcutta Port, the exporter shall present the original copy of the Customs Transit Declaration duly endorsed by the Indian border land customs station to the Custom House. This copy shall be compared by the Custom

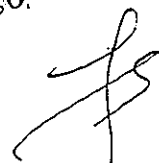
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House with the duplicate and triplicate received by it from the Indian border land customs station. In case of goods which have moved under seals and locks, the Custom House shall check the seals and locks and where there is suspicion that they have been tampered with, will examine the goods to identify them with the corresponding Customs Transit Declaration. After the verification as contemplated in this paragraph is completed by the Custom House, it shall permit the export of the goods and will, in case of goods specified as sensitive by the Government of India from time to time with prior intimation to His Majesty's Government of Nepal, ensure that these are duly shipped. After the goods have been shipped, the Custom House shall endorse all the copies of the Customs Transit Declaration, hand over the original to the exporter and send the triplicate copy to the Indian border land customs station and retain the duplicate.

11. Where export cargo is shut out, it will be removed to the warehouse leased out to Nepal Transit and Warehousing Company Ltd., on filing of such removal instructions by the exporter or his authorised agent.
12. The Nepalese export cargo not shipped due to valid reasons will be permitted to be returned to Nepal according to the procedure applicable for the Nepalese import cargo.

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The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. This includes both primary and secondary data collection techniques. The primary data was gathered through direct observation and interviews, while secondary data was obtained from existing reports and databases.

The third section provides a detailed description of the data analysis process. This involves identifying patterns, trends, and correlations within the data set. Statistical tools and software were used to facilitate this process, ensuring that the results are both accurate and reliable.

Finally, the document concludes with a summary of the findings and their implications. The results indicate that there are significant opportunities for improvement in the current system. By implementing the suggested changes, it is expected that efficiency and accuracy will be greatly enhanced.

Kathmandu
January 5, 1999

Excellency,

I write to acknowledge the receipt of your letter of today's date which reads as follows :

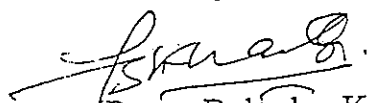
"In course of the discussion that led to the renewal of the Treaty of Transit between our two Governments today, and in pursuance of Paragraph 1 (i) of Section II of the Protocol, it was agreed that the Nepalese traffic-in-transit from Calcutta to the mutually agreed entry and exit points along the India-Nepal border and vice versa shall pass only through one of the mutually agreed routes as specified in the enclosed Annexure-A. The particulars of one of these mutually agreed routes, at the option of the importer or the exporter, as the case may be, shall be mentioned in the Customs Transit Declaration.

2. It was further agreed that the transit facilities through Phulbari route and Radhikapur route relating to Nepalese trade with and through Bangladesh would continue to be governed by the terms of existing separate arrangements concluded between the two Governments.

3. I shall be grateful if you could kindly confirm that the foregoing correctly sets out the understanding reached between our two Governments".

I confirm that the following correctly sets out the understanding reached between our two Governments.

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



(Purna Bahadur Khadka)

Minister of Commerce

His Majesty's Government of Nepal

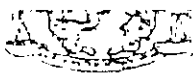
H.E. Shri. Ramakrishna Hegde
Minister of Commerce
Government of India.

SPECIFIED LAND ROUTES

1. Sukhia Pokhari Road connecting Calcutta-Dunlop Bridge-Barrackpore-Krishna Nagar-Malda-Raiganj-Dalkola-Siliguri-Sukhia Pokhari.
2. Naxalbari (Panitanki) Road connecting Calcutta-Dunlop Bridge-Barrackpore-Krishna Nagar-Malda-Raiganj-Dalkola-Bagdogra-Panitanki.
3. Galgalia Road connecting Calcutta-Dunlop Bridge-Barrackpore-Krishna Nagar-Malda-Raiganj-Dalkola-Kishanganj-Thakurganj-Galgalia.
4. Jogbani Road connecting Calcutta-Dunlop Bridge-Barrackpore-Krishna Nagar-Malda-Raiganj-Dalkola-Purnia-Araria-Forbesganj-Jogbani.
5. Bhimnagar Road connecting Calcutta-Dunlop Bridge-Barrackpore-Krishna Nagar-Malda-Raiganj-Dalkola-Purnia-Araria-Forbesganj-Bhimnagar.
6. Jayanagar Road connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Kulti-Jasidih-Kiul-Mokamah-Barauni-Musari Garari-Samastipur-Darbhanga-Jayanagar.
(or)
Road connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Kodarma-Nawadah-Biharsarif-Bakhtiyarpur-Gandhi Setu (Patna)-Hajipur-Musari-Garari-Samastipur-Darbhanga-Jayanagar.
7. Bhitamore Road connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Kulti-Jasidih-Kiul-Mokamah-Barauni-Muzaffarpur - Sitamarhi-Bhitamore.

(or)





Road connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Kodarma-Nawadah-Biharsarif-Bakhtiyarpur-Gandhi Setu (Patna)-Hajipur-Muzaffarpur -Sitamarhi-Bhitamore.

8. Raxual

Road connecting Calcutta-Vivekananda Bridge Dankuni-Mogra-Bardwan-Panagarh-Asansol-Kulti-Jasidih-Kiul-Mokamah-Barauni-Muzaffarpur-Motihari-Sugauli-Raxaul.

(or)

Road Connecting Calcutta-Vivekanada Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Kodarma-Nawadah-Biharsarif-Bakhtiyarpur-Gandi Setu (Patna)-Hajipur-Muzaffarpur-Motihari-Sugauli-Raxaul.

9. Nautanwa
(Sonauli)

Road connecting Calcutta-Vivekanada Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-Ghazipur-Goarkhpur-Nautanwa-Sonauli.

10. Barhni

Road Connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-Ghazipur-Gorakhpur-Basti-Barhni.

11. Jarwa

Road connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-Ghazipur-Gorakhpur-Basti-Balrampur-Jarwa.

12. Nepalgunj Road

Road connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-Jaunpur-Sultanpur-Lucknow-Baharaich-Nepalgunj Road.

(or)

Road connecting Calcutta-Vivekananda Bridge-Dankuni-Mogra-Bardwan-Panagarh-Asansol-Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-



Ghazipur-Gorakhpur-Basti-Baharaich-Nepalgunj
Road.

13. Tikonia

Road connecting Calcutta-Vivekananda Bridge-
Dankuni-Mogra-Bardwan-Panagarh-Asansol-
Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-
Jaunpur-Sultanpur-Lucknow-Baharaich-Tikonia

(or)

Road connecting Calcutta-Vivekananda Bridge-
Dankuni-Mogra-Bardwan-Panagarh-Asansol-
Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-
Ghazipur-Gorakhpur-Basti-Baharaich-Tikonia.

14. Gauriphanta

Road connecting Calcutta-Vivekananda Bridge-
Dankuni-Mogra-Bardwan-Panagarh-Asansol-
Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-
Jaunpur-Sultanpur-Lucknow-Baharaich-
Gauriphanta.

(or)

Road connecting Calcutta-Vivekananda Bridge-
Dankuni-Mogra-Bardwan-Panagarh-Asansol-
Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-
Ghazipur-Gorakhpur-Basti-Baharaich-Gauriphanta.

15. Banbasa

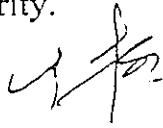
Road connecting Calcutta-Vivekananda Bridge-
Dankuni-Mogra-Bardwan-Panagarh-Asansol-
Dhanbad-Barhi-Aurangabad-Sasaram-Varanasi-
Jaunpur-Sultanpur-Lucknow-Shahjahanpur-
Bareilly-Pilibhit-Banbasa.

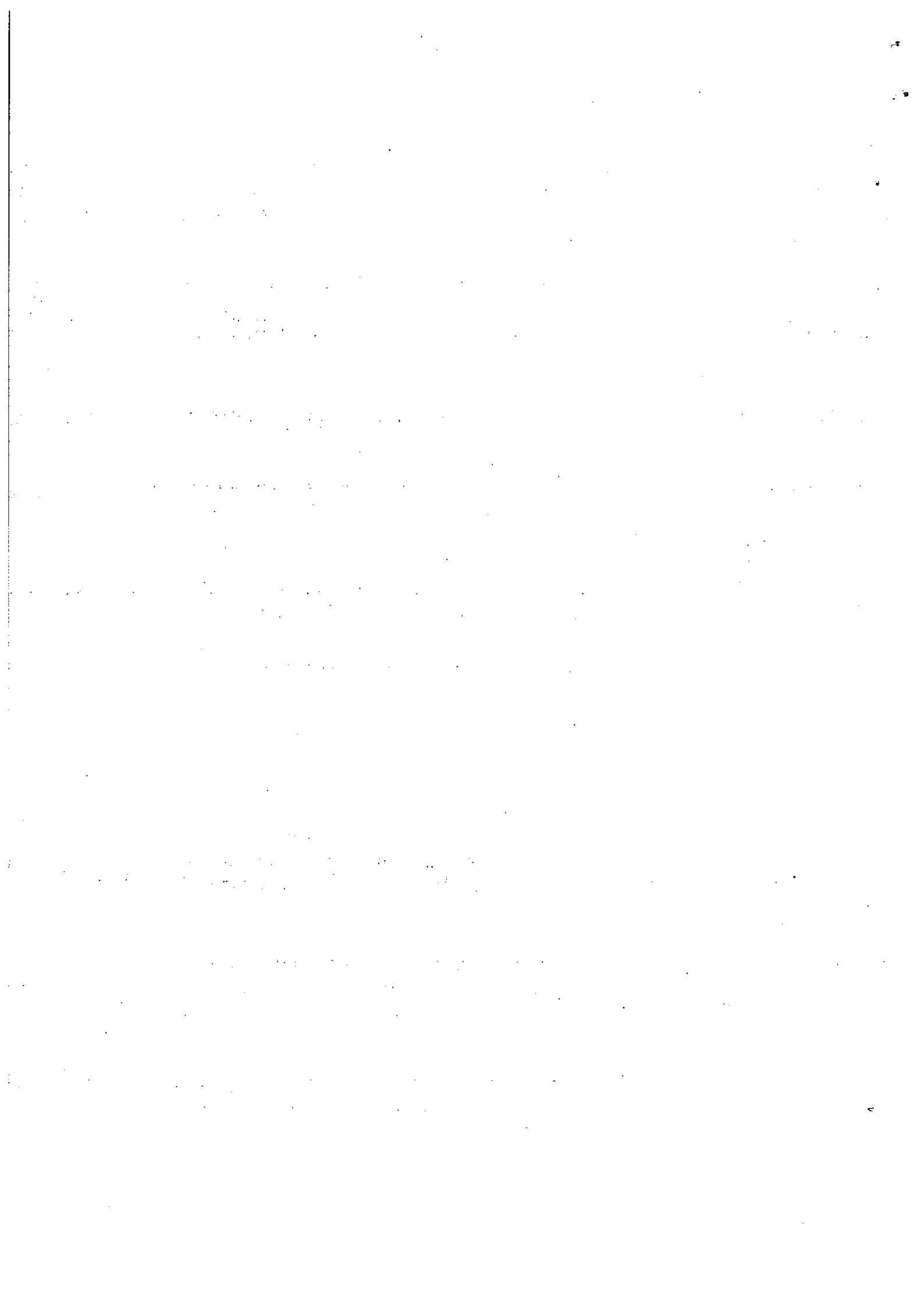
NOTE:

1. Roads passing through Calcutta Airport, Barasat and Raiganj may be provided as an alternative route out of Calcutta in respect of all routes specified above passing through Raiganj, with prior endorsement on the Customs Transit Declaration by the appropriate Customs authority.
2. Project cargo, heavy lift cargo and odd dimension cargo moving out of Calcutta may be allowed to go via Kharakpur and Dhanbad in respect of all routes

passing through Dhanbad, with prior endorsement on the Customs Transit Declaration by the appropriate Customs authority.

3. Movement out of Calcutta through Vidhya Sagar Sethu may be permitted for all routes passing through Dankuni, with prior endorsement on the customs Transit Declaration by the appropriate authority.





Kathmandu,
January 5, 1999

Excellency,

I write to acknowledge the receipt of your letter of today's date which reads as follows :

"In the course of the discussions that led to the renewal of the Treaty of Transit between our two Governments today, it was agreed that the arrangements with the Trustees of the Port of Calcutta for increasing the free time for removal of Nepalese transit cargo, including containerised cargo, to seven days will continue, pending an assessment to be conducted on side as to whether continuation of this facility is still required in practical terms.

2. I shall be grateful if you could kindly confirm that the above sets out correctly the understanding reached between our two Governments."

I confirm that the foregoing correctly sets out the understanding reached between our two Governments.

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



(Purna Bahadur Khadka)

Minister of Commerce

His Majesty's Government of Nepal

H.E. Shri. Ramakrishna Hegde
Minister of Commerce
Government of India.

Kathmandu
January 5, 1999

Excellency,

I write to acknowledge the receipt of your letter of today's date which reads as follows :

"Our two delegations have signed the Treaty of Trade, the Treaty of Transit and the Agreement on Cooperation between His Majesty's Government of Nepal and the Government of India to control unauthorised trade. The Treaty of Trade and the Agreement on Cooperation to Control Unauthorised Trade were renewed on 3rd December 1996 and the Treaty of Transit has been renewed today, i.e., January 5, 1999.

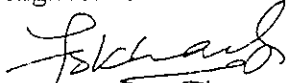
In the light of the provisions as envisaged in each of the Treaties and the Agreement, officials designated by the two Governments shall meet separately at the appropriate levels as and when necessary and determine procedures as may be appropriate to discuss and resolve any problem that may arise in the effective and harmonious implementation of the issues relating to trade, transit and unauthorised trade.

It is further agreed that there shall be an Inter-Governmental Committee consisting of the senior representatives of the two Governments to promote trade, facilitate transit and control unauthorised trade between the two countries as envisaged in the Treaties and the Agreement. The Committee shall meet at least once in six months alternatively in Kathmandu and New Delhi. If any questions remain unresolved in the meetings on the official groups referred to in the foregoing paragraph, they shall be referred to this Committee which will find solutions thereof. The Committee may also deal with any matter on its own in order to further the purpose envisaged in the said Treaties and the Agreement.

I shall be grateful if you would kindly confirm that the above sets out correctly the understanding reached between our two Governments."

I confirm that the foregoing correctly sets out the understanding reached between our two Governments.

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



(Purna Bahadur Khadka)

Minister of Commerce

His Majesty's Government of Nepal.

H.E. Mr. Ramakrishna Hegde
Minister of Commerce
Government of India.