

Memorandum of Understanding

between

Government of India

and

Government of Nepal

regarding

**'Final Location Survey' of the Proposed Broad Gauge railway line
between Raxaul and Kathmandu**

Preamble

The Government of India (hereinafter referred to as **GoI**) and the Government of Nepal (hereinafter referred to as **GoN**); hereinafter collectively referred to as the **Parties**;

Bearing in mind the long standing relations in the fields of trade, commerce and economic co-operation existing between the two countries and their people and wishing to further strengthen and diversify the same;

Recalling the assistance of GoI to GoN in the transport sector, particularly in the construction of roads, bridges and railway infrastructure;

Noting the need for development of railway infrastructure in Nepal;

Have agreed to cooperate in the preparation of Final Location Survey (hereinafter referred to as **FLS**) of the proposed Broad Gauge Railway line between Raxaul and Kathmandu following the completion of Preliminary Engineering cum Traffic (PET) Survey as per the following understanding:

Article I

Objective

With an objective of expanding connectivity to enhance people-to-people linkages, promote economic growth, and develop and strengthen cross-border railway connectivity, GoI and GoN shall jointly cooperate in carrying out the FLS for the proposed Broad Gauge railway line between Raxaul and Kathmandu.

Article II

Funding

GoI shall arrange and bear all the finances required for carrying out the FLS.

Article III

Implementing Agency

The Construction Organization of the East Central Railway, Hajipur (hereinafter referred to as **Implementing Agency**), the Ministry of Railways, GoI shall implement the survey on behalf of GoI in cooperation with the Department of Railways of GoN. The Implementing Agency has awarded the work for conducting the FLS to Konkan Railway Corporation Limited (hereinafter referred to as **KRCL**). The Implementing Agency shall accomplish FLS within 18 months from signing of this MoU.

Article IV

Labour, administrative, technical and other personnel

The recruitment of labour, administrative, technical and other personnel for the FLS shall be confined to the nationals of either country. The Implementing Agency shall provide GoN with the details of the technical team and workers deployed for the FLS.

Article V

Role and Responsibilities

GoN shall facilitate the Implementing Agency in carrying out the FLS in Nepal and provide below mentioned facilities for any material purchased locally or imported from India by the Implementing Agency.

- i) The Ministry of Home Affairs, GoN shall provide security to and grant permissions for movement, including cross-border movements, of labour, administrative, technical and other personnel recruited by the Implementing Agency for carrying out the FLS.
- ii) The Department of Railways, GoN shall assist and coordinate in obtaining logistic support to the Implementing Agency for the FLS. In carrying out FLS, Implementing Agency/KRCL shall be permitted to, among other activities, access public and private lands, dig trial pits, carry out Borehole investigations, construct survey pillars with cement concrete, carry out pegging of alignment and conduct traffic surveys. Due permissions will be issued by GoN for Implementing Agency/KRCL to conduct surveys by drone and other conventional aircrafts /helicopters. Implementing Agency/KRCL shall share all relevant details in this regard with GoN.
- iii) The Ministry of Finance, GoN shall provide exemption from payment of all custom duties, taxes such as VAT, cesses & levies, including submission of bank guarantee, on any material, machinery or equipment imported from India by the Implementing Agency for carrying out the FLS.
- iv) Regarding, refund of VAT and related Taxes, in respect of any material, machinery or equipment purchased or procured in

Nepal for the FLS, the implementing agency shall submit the necessary requests with VAT bills to the Inland Revenue Office of GoN for reimbursement and the Inland Revenue Office will reimburse the paid VAT within the prescribed time, in accordance with the VAT Act and Regulations of GoN.

- v) Double Taxation Avoidance Agreement signed between the Parties shall be applicable in the case of income tax for any Indian national or Indian firm employed by the Implementing Agency in connection with the FLS to be carried out in Nepal.

Article VI

Permissions for FLS work in Conservation Areas and National Parks

GoN shall make all relevant information available to the Implementing Agency about Conservation Areas and National Parks of Nepal. The Implementation Agency shall carry out the FLS as far as feasible, outside the Conservation Areas and National Parks of Nepal. In case the FLS work is required to be undertaken within the Conservation Areas and National Parks of Nepal, GoN shall coordinate with the relevant Agencies/Departments of GoN to facilitate the Implementing Agency in obtaining such regulatory and environment/forest clearances as may be required.

Article VII

Interpretation of provisions of the MoU

Any differences regarding the interpretation or application of any provision of this MoU shall be resolved through mutual consultations between the Parties. This MoU does not create any legally binding obligation upon the parties and doesn't constitute a treaty under International law.

Article VIII

Modifications to the MoU

This MoU may be amended or modified from time to time by mutual consent of the Parties in writing.

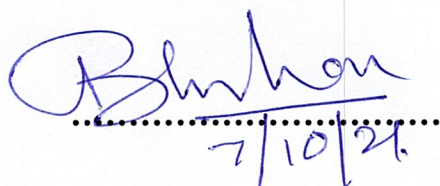
Article IX

Entry into Force

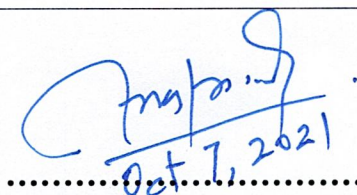
This MoU shall enter into force from the date of its signing and shall remain in force till the completion of the FLS.

In WITNESS WHEREOF, the undersigned being duly authorized by the respective Governments have signed this MoU.

Signed in **New Delhi** on **07 October 2021** in two originals in English language.


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7/10/21

Mr. Anurag Bhushan
Joint Secretary, DPA III
Ministry of External Affairs
Government of India


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Oct 7, 2021

Mr. Deepak Kumar
Bhattarai
Director General
Department of Railways
Ministry of Physical
Infrastructure and
Transport,
Government of Nepal