

**EXCHANGE OF LETTERS CONSTITUTING AN
AGREEMENT¹ BETWEEN THE GOVERNMENT OF
INDIA AND HIS MAJESTY'S GOVERNMENT OF
NEPAL REGARDING THE EXPANSION OF
INDUSTRIAL ESTATE AT PATAN
Kathmandu, 13 January 1977**

LETTER No. 1

S.S. VARMA
Director,

INDIAN CO-OPERATION MISSION,
NEPAL, KATHMANDU

January 13, 1977

Dear Shri ADHIKARY,

I have the honour to acknowledge your letter of even date which reads as follows :

“His Majesty’s Government of Nepal are glad to note that the Industrial Estate at Patan, set up under an agreement² between His Majesty’s Government of Nepal and the Government of India signed on 31st August, 1960 and Letters exchanged between the two Governments on 26th June, 1967, have contributed significantly to the advancement of small scale industries in Nepal, specially in the Kathmandu valley.

Keeping in view the success of the Industrial Estate at Patan and the need for accommodating more industries at the Estate, His Majesty’s Government of Nepal propose to undertake a programme of expansion of the Estate at a cost of Rs. 21.92 lakhs in Indian Currency. The programme consists of the following facilities :

- (i) 11 work sheds.
- (ii) Store Godown.

1. Came into force on 13 January 1977.

2. IBTA Vol. 3 Doc. No. 206.

- (iii) Installation of additional machinery in the common facility workshop.
- (iv) Extension to existing administrative block.
- (v) Canteen.
- (vi) Roads including drains and culverts.
- (vii) Water supply including filtration plant.
- (viii) Street lighting including transformer.

I am to convey H.M.G's request to the Government of India through you to make available funds to the extent of Rs. 21.92 lakhs I.C. for the implementation of this programme. His Majesty's Government of Nepal expect to utilise this amount by 31st March, 1978. The programme will be got executed by His Majesty's Government of Nepal themselves.

Ministry of Finance of His Majesty's Government of Nepal will make available quarterly statements of expenditure to ICM along with the progress report on the same. Releases will be made on quarterly basis.

Director, Indian Cooperation Mission, and/or his nominee will act as adviser for the execution of the scheme. Member (Finance & Accounts) of ICM, will have access to all matters connected with the finance and accounts of the scheme."

2. On the basis of the request and the assurances contained in H.M.G.'s letter as above, the Government of India agree to make available funds to the extent of Rs. 21.92 lakhs in Indian Currency for the programme of expansion of the Industrial Estate at Patan for being utilised before 31st March, 1978.
3. I have the honour to state that your letter and my reply thereto shall constitute an agreement between the Government of India and H.M.G. of Nepal which shall come into force with effect from today's date.
4. Please accept the assurance of my highest consideration.

Yours sincerely,
Sd/-
S. S. VARMA

Shri N.R. ADHIKARY,
Secretary,
Ministry of Finance,
H.M.G. of Nepal,
Kathmandu.

LETTER No. 2

S.S. VARMA
DIRECTOR
No. KAT/ICM/IA/II(7)/74

INDIAN COOPERATION MISSION, NEPAL
KATHMANDU
November 24, 1978

Dear Shri SHRESTHA,

I have the honour to acknowledge your letter No.F./IN/150-4-6667 dated 15 February 1978, which reads as follows :

"I refer to the Letter of Exchange signed on 13th January 1977 between His Majesty's Government of Nepal and the Government of India on the Patan Industrial Estate.

According to the said letters of Exchange, the Government of India have agreed to make available Rs. 21.92 lakhs I.C. for the programme of expansion of the Patan Industrial Estate for being utilised before 31st March, 1978. As you are aware execution of the programme could start from the current fiscal year only. It is expected that the GOI's contribution can be utilised by March 1979. Therefore, on behalf of His Majesty's Government of Nepal, I would like to request the Government of India, through your good office, to extend the period of utilisation of GOI's contribution to the Patan Industrial Estate for a further period of one year.

Your sympathetic consideration to this request will be appreciated."

2. On the basis of the request and the assurance contained in HMG's letter as above, the Government of India agree to extend upto 31.3.79, the period of utilization of the grant of Rs. 21.92 lakhs I.C. made available by the Government of India for the expansion of the Industrial Estate at Patan under the Letters of Exchange on the subject dated 13.1.1977.
3. I have the honour to state that your letter and my reply thereto shall constitute an Agreement between the Government of India and His Majesty's Government of Nepal which shall come into force with effect from 1.4.78.
4. Please accept the assurances of my highest consideration.

Yours sincerely,
Sd/-
S.S.VARMA

Shri H.S. SHRESTHA,
Jt. Secy. Min. of Finance,
His Majesty's Government of Nepal,
Kathmandu.

LETTER No. 3

VIRENDRA PRAKASH,
DIRECTOR

INDIAN CO-OPERATION MISSION, NEPAL
KATHMANDU

No.KAT/ICM/IA/7/79

27 September 1979

Dear SHRI SHRESTHA,

This is to acknowledge your letter No.F/IN/150-4 dated 30th April, 1979, addressed to shri S.S.Varma which reads as follows :

"I refer to the Letter of Exchange signed on 13th January, 1977, between His Majesty's Government of Nepal and the Government of India on Patan Industrial Estate.

According to the said Letter of Exchange the Government of India have agreed to make available Rs. 21.92 lakhs I.C. for the expansion of the Patan Industrial Estate. It was expected to utilise this amount before 31st March, 1979. As you are aware Rs. 20.52 lakhs I.C. have been released by the government of India upto 28th March, 1979, to complete the activities envisaged in the Agreement signed between our two Governments. There is thus a balance of Rs. 1.40 lakhs I.C. which we propose to utilize in constructing a boundary wall and in undertaking electrification works required for the above project.

On behalf of His Majesty's Government of Nepal, I would like to request the Government of India through your good office to release the above-mentioned balance of Rs. 1.40 lakhs I.C. for the proposed new activities and extend the period of utilisation of Government of India's contribution to the Patan Industrial Estate for a further period of six months.

Your sympathetic consideration to this request will be highly appreciated."

2. On the the basis of the request and the assurance contained in His Majesty's Government of Nepal's letter as above, the Government of India agree to extend upto 30-9-1979, the period of utilisation of the grant of Rs. 21.92 lakhs I.C. made available by the Government of India, for the expansion of the Industrial Estate at Patan under the Letters of Exchange on the subject dated 13-1-1977 and 24-11-1978. The Government of India have also agreed to the utilisation of funds in the construction of a boundary wall and in undertaking additional electrification works. These additional works will be covered under the total financial assistance of Rs. 21.92 lakhs I.C.

3. I have the honour to state that your letter and my reply thereto shall constitute an Agreement between the Government of India and His Majesty's Government of Nepal which shall come into force with effect from 1-4-1979.

Yours sincerely,

Sd/-

VIRENDRA PRAKASH

Shri H.S. SHRESTHA
Joint Secretary
Foreign Aid Division
Ministry of Finance
His Majesty's Government of Nepal
Kathmandu
