

**EXCHANGE OF LETTERS¹ BETWEEN
THE GOVERNMENT OF INDIA AND
HIS MAJESTY'S GOVERNMENT
OF NEPAL REGARDING THE
CONSTRUCTION OF
SPORTS COMPLEX
AT POKHARA
Kathmandu , 27 December 1977**

HIS MAJESTY'S GOVERNMENT

MINISTRY OF FINANCE
KATHMANDU
NEPAL
27th December, 1977

Dear SHRI VARMA,

As you are aware, a scheme has been formulated by His Majesty's Government of Nepal for the construction of a sports Complex at Pokhara through the agency of the National Sports Council, Nepal. The details of the scheme showing the various components proposed to be constructed along with their estimated cost, have been already forwarded to you.

2. His Majesty's Government of Nepal had proposed to the Government of India that they might extend financial assistance for the proposed Sports Complex at Pokhara under the Indo-Nepal Co-operation Programme. The Government of India have released so far Rs. 4 lakhs I.C., as advance of grant-in-aid for this project. I shall be grateful if the government of India would consider the proposal and convey the extent of grant-in-aid which may be made available for this project and the terms and conditions on which such grant would be made available.

1. Came into force on 5 January 1976.

Please accept the assurances of my highest consideration.

Yours sincerely,

Sd/-
NARA KANTA ADHIKARY
Secretary

Shri S.S. VARMA
Director,
Indian Co-operation Mission,
Kathmandu.(Nepal)

S.S. VARMA
Director

INDIAN CO-OPERATION MISSION,
NEPAL
KATHMANDU

27 December 1977

Dear SHRI ADHIKARY,

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

[Not reproduced]

2. I am to state that on consideration of the scheme formulated by His Majesty's Government of Nepal, the Government of India agree to extend grant-in-aid of Rs. 1,200,000(Indian Currency) [Rupees one million and two hundred thousand(Indian Currency)] to His Majesty's Government of Nepal under the Indo-Nepal Co-operation Programme for the construction of the Sports Complex at Pokhara by the National Sports Council of Nepal. The proposed grant-in-aid shall be subject to the terms and conditions as set out in the attached annexure.
3. I have the honour to confirm that the above correctly sets out the understanding reached between the Government of India and his Majesty's government of Nepal. Your letter and my reply thereto along with the said annexure shall constitute an understanding between the Government of India and His Majesty's Government of Nepal which shall be deemed to have come into force with effect from the date of the release of the first

instalment of the said grant-in-aid of Rs. 2 lakhs (Indian Currency) i.e. 5 January 1976.

Accept Sir, the assurances of my highest consideration.

Yours sincerely,

Sd/-
S.S. VARMA

Shri N.K. ADHIKARY,
Secretary,
Ministry of Finance,
His Majesty's Government of Nepal,
Babar Mahal,
Kathmandu,
NEPAL

ANNEXURE

Forming part of the Letter of Exchange regarding Sports Complex at Pokhara

Subject : Terms and conditions for the release of grant-in-aid for the construction of Sports Complex at Pokhara.

- (1) The work of construction of a Sports Complex at Pokhara in accordance with the Scheme referred to in the Letter of Exchange shall hereinafter, be called "The Project". The funds provided by the Government of India under the Letter of Exchange will be utilized for the construction of specific items of projects detailed in the Appendix appended to and forming part of this Annexure. The estimated cost of the proposed items is also indicated in the said Appendix. The extent of Indian aid would, however, be restricted to Rupees one million and two hundred thousand (Indian currency) and if the expenditure is in excess of this amount due to any cost escalations etc., excess shall be met by His Majesty's Government of Nepal from their own resources. Amounts already released for the Project before the signing of the Letter of Exchange shall be construed as released in terms of this Letter of Exchange and shall form a part of the overall aid for the Project.
- (2) The work in connection with the execution of the project shall be undertaken and completed by His Majesty's Government of Nepal directly or by their authorised agency viz. the National Sports

Council of Nepal. His Majesty's Government of Nepal shall also arrange for the necessary construction materials, etc.

- (3) The Director, Indian Co-operation Mission, and/or his nominee shall be consulted in the formulation of detailed plans. Periodical progress reports, expenditure statements and information needed for evaluation shall be made available to them in respect of the project.
- (4) The Ministry of Finance, His Majesty's Government of Nepal will make periodical requests to the Indian Co-operation Mission for advancing funds to meet the expenditure on the Project. The Indian Co-operation Mission shall release funds against these requests in favour of the Ministry of Finance, His Majesty's Government of Nepal. These funds shall be deposited by His Majesty's Government of Nepal in a separate account under the Head "ICM-Sports Complex at Pokhara" to be opened in Nepal Rashtra Bank.
- (5) The account referred to in item No. 4 of this Annexure shall be operated by the Ministry of Finance, His Majesty's Government of Nepal under their budgetary rules and regulations and release of funds shall be made by them to the Ministry of Education, His Majesty's Government of Nepal. A quarterly statement of such releases shall be available to the Indian Co-operation Mission.
- (6) (a) The Indian Co-operation Mission shall release funds to His Majesty's Government of Nepal on a quarterly basis. Accounts in respect of the first quarter shall be submitted before request for the third quarterly release is made. Accounts in respect of subsequent quarters shall be submitted *mutatis mutandis*.
- (b) The Director of the Indian Co-operation Mission or his nominee may inspect the site of the project and he may co-operate in the preparation of the annual budget, inspection of local accounts and release of funds to the concerned bodies in relation to the implementation of the project.
- (7) All unspent balance out of the amount of grant-in-aid given by the Government of India, after meeting the liabilities shall be refunded to the Government of India on completion or termination of this Letter of Exchange or the same shall be utilized for further items of the project as may be agreed upon.
- (8) This Letter of Exchange shall come into force upon signature and shall remain in force for a period of two years unless it is

terminated by His Majesty's Government of Nepal and the Government of India by mutual agreement.

APPENDIX
(Referred to in Item No. 1)

DETAILS OF ITEMS	ESTIMATED	COST
	N.C. in Lakhs	I.C. in Lakhs
1. Construction of Table Tennis Hall	2.650	1.90
2. Construction of Badminton Hall	3.640	2.62
3. Construction of Office, Lobby and Changing Room	1.960	1.41
4. Track and Field	6.250	4.49
5. Unforeseen contingent expenditure including cost escalation on the specified items.	2.192	1.58
Total	<u>16.692</u>	<u>12.00</u>
