



MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDIA
AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
FOR
DEVELOPMENT OF RAILWAY INFRASTRUCTURE
TO
ESTABLISH RAIL LINK
BETWEEN AGARTALA (INDIA) AND AKHAURA (BANGLADESH)

Government of the Republic of India (hereinafter referred to as GOI) and Government of the People's Republic of Bangladesh (hereinafter referred to as GOB);

Bearing in mind the friendly relations existing between the two countries and their peoples;

In pursuance of the Joint Communiqué issued in January 2010, where the two Prime Ministers agreed on the need to operationalize various areas of cooperation including transportation and connectivity for mutual benefit;

Desirous of cooperating and strengthening the development of transport sector in Bangladesh;

Noting the need to establish railway link between Akhaura and Agartala;

Have reached the following understanding.

ARTICLE-I

GOI and GOB shall cooperate in the development of necessary railway infrastructure between Agartala (India) and Akhaura (Bangladesh) for which the Joint Committee constituted by GOI and GOB and under the Joint Communiqué agreed on the alignment, design, and cost of the railway link (hereinafter referred to as "Project"). The details of the alignment and preliminary estimated cost of the Project approved by the two governments is annexed hereto and forms part of this Memorandum of Understanding.

ARTICLE - II

The Project shall be implemented with complete financial and technical assistance from the GOI - i.e. by grants from GOI - based on the Engineering, Procurement and Construction (EPC) model. Indian Railway shall be responsible for the construction of the Indian portion and Bangladesh Railway shall be responsible for the construction of the Bangladesh portion of the project.



ARTICLE-III

GOB shall appoint a Project Director at the functional level from Bangladesh Railway. The Project Director shall keep the Ministry of Railways, GOB, and the Project Steering Committee (PSC) informed of the progress of work and problems which require intervention at a high level.

ARTICLE - IV

1. There shall be Project Steering Committee (hereinafter referred to as "PSC") with the following composition, to monitor, supervise and give policy guidelines in the implementation of the Project.
 - a) One representative of Ministry of Railways, GOB.
 - b) One representative of Ministry of Foreign Affairs, GOB.
 - c) Project Director, Bangladesh Railway, GOB.
 - d) Deputy Commissioner, Brahmanbaria, GOB.
 - e) One representative of Economic Relations Division (ERD), Ministry of Finance, GOB.
 - f) One representative of Bangladesh, Sri Lanka, Myanmar and Maldives (BSM) Division, Ministry of External Affairs, GOI.
 - g) One representative of Development Partnership Administration (DPA) Division, Ministry of External Affairs, GOI.
 - h) Officer-in-Charge of Railway Wing of the High Commission of India, Dhaka.
 - i) One representative of the State Government of Tripura.
 - j) Chief Engineer (Construction), Northeast Frontier (NF) Railway, Ministry of Railways, GOI.
2. The PSC may co-opt additional members with the approval of respective Government.
3. The PSC shall meet alternately in Dhaka and Agartala with regular periodicity to ensure constant reviewing of the progress and address bottlenecks affecting the pace of Project's implementation. The timing of meetings shall be decided as and when required. The



PSC shall however, meet at least twice a year until the completion of the project.

ARTICLE - V

For the part of Project within the territory of Bangladesh, GOB shall make available necessary land and ancillary facilities, etc., to the implementing firm. GOB shall make arrangements to provide land free from all encroachments and encumbrances and make necessary arrangement for the implementing firm and their teams' entry and access to the land and property, including private land and property for the purpose of implementation of the Project. Rent for temporary use of land shall be borne by appointed contractor.

ARTICLE - VI

The recruitment of labour, administrative, technical and other personnel for the project shall be confined to the nationals of India and Bangladesh only. Bangladesh Railway shall facilitate issuance of work permit for the Indian nationals as required under law.

ARTICLE - VII

1. Taxes, levies, VAT, etc related to the project and royalty of any kind shall be governed as per existing laws, rules and regulations.
2. Temporary import of machinery with a view to re-exporting at the end of the Project shall be exempted from customs duties in accordance with the Customs Act, 1969 and rules thereunder. However, if such material, machinery or equipment is not re-exported and sold by the implementing firm in Bangladesh, all taxes or duties as applicable shall be recovered in accordance with the customs law/prevailing rules.
3. The Income Tax will be imposed on any Indian National or Indian Firm in accordance with the existing agreements between India and Bangladesh on Income Tax.
4. Project vehicle, plant and machinery of any Indian firm and their team, if applicable, related to Project shall be allowed to move



