THE MEMORANDUM OF UNDERSTANDING BETWEEN

THE MINISTRY OF SHIPPING OF THE GOVERNMENT OF THE REPUBLIC OF INDIA AND

THE MINISTRY OF PORTS AND HIGHWAYS OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

The Government of the Republic of India and the Government of the Democratic Socialist Republic of Sri Lanka (hereinafter referred to as the "Parties");

Desiring to further develop the friendly relations and to strengthen their cooperation in the field of merchant shipping in accordance with principles of equality and mutual benefits;

Recognizing the need for passenger services between the ports of the two countries, which is mutually beneficial to the economic, social and cultural advancement of the two countries;

Have reached the following understanding:

Article 1

The MoU shall apply to passenger transportation by sea between the two countries and matters related thereto.

Article 2

The Parties agree to commence passenger services between the ports of Tuticorin and Colombo and between Rameswaram and Thalaimannar in the two countries. The Parties shall facilitate the movement of passenger traffic and the establishment of these services between the ports of the two countries.

Further the Parties agree that extension of similar services between other ports of the two countries could be done with mutual consent. It is also agreed that should there be overriding security concerns, suspension of the services could be done at any point of time without any notice and without any consequent liability to the party concerned. Such suspension should be intimated to the other Party immediately. Thereafter, both Parties shall strive to resume the services as early as possible.

Article 3

measures to provide security to passengers, crew and vessel to prevent unnecessary delays to vessels and to expedite and simplify to the extent possible the carrying out of the customs, immigration and emigration, health and other formalities applicable in their respective ports. These measures could be reviewed on periodic basis, as per prevailing security environment, to determine the efficacy of the control and screening mechanisms and incorporate necessary amendments.

Article 4

The Parties shall establish a Joint Committee composed of representatives nominated by the respective Secretaries to the Ministries in charge of the subject of shipping. The Joint Committee shall be responsible for the efficient implementation of the MoU.

The Joint Committee may be convened at the request of the Secretaries to the Ministries in charge of the subject of Shipping for consultation and for expeditious implementation of this MoU. The modalities of these meetings are to be decided by the two Secretaries through mutual consultations.

A Search & Rescue Cooperation Plan will be developed by the shipping company providing ferry services as per the guidelines of the International Maritime Organization in consultation with the Joint Committee.

Article 5

Either Party to this MoU, which desires to modify any provisions of this MoU or supplement it with additional provisions, may communicate the same to the other Party for consultation. Modifications or supplements as agreed by mutual consultations shall come into effect when they are confirmed by Exchange of Notes through diplomatic channels.

Article 6

The vessels, crew and passengers of one Party whilst in the territorial waters of the other Party shall be subject to the respective national laws and regulations in the latter Party specially the laws and regulations concerning navigation and safety as well as public order, fiscal, customs, immigration, health veterinary and sanitary controls as well as laws and regulations concerning human and drug trafficking. Each Party reserves the right to reject entry into its territory of any person whose entry is considered undesirable without any liability thereof to the Party concerned.

Article 7

The shipping organizations and shipping enterprises offering passenger services, registered and operating under the laws and regulations of one Party and having their registered offices in the territory of that Party, shall be entitled to establish representative

المالية in the territory of the other Party in accordance with the laws and regulations of the content Party.

Article 8

In case a vessel of either Party suffers ship wreck, runs aground, casts ashore or suffers any other accident in the territorial waters of the other Party, the vessel, passengers, crew and cargo shall enjoy the same treatment in the territory of the other Party which is accorded to a national vessel of that Party, and assistance shall be granted to the same extent as in the case of its own vessels, subject to the Customs laws of the Parties.

Article 9

For the purposes of this MoU the competent authorities shall be the Ministries in charge of the subject of Shipping of the two Parties.

Article 10

If any dispute arises between the Parties relating to the interpretation or application of this MoU the Parties shall endeavor to settle it by negotiations.

Article 11

This MoU shall come into effect on the date of its signature by both the Parties and shall remain in force unless either Party gives a written notice to the other Party by giving three months prior written notice of its intention to terminate the MoU.

IN WITNESS WHEREOF, the undersigned duly authorized thereto by their respective Governments have signed this Memorandum of Understanding and have affixed thereto their seals.

DONE at Colombo on this ...? Day of January 2011, in two originals, each in Hindi, Sinhala, Tamil and English languages, all texts being equally authentic. In case of any divergence in interpretation, the text in English shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF INDIA

FOR THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA