

NOTE ON VIEWS AND UNDERSTANDING

I. In connection with the Agreement between the Government of Japan and the Government of the Republic of India for Cooperation in the Peaceful Uses of Nuclear Energy signed today (hereinafter referred to as "the Agreement"), the undersigned record the following:

- (i) The representative of the Japanese delegation stated that the Statement delivered by Mr. Pranab Mukherjee, then External Affairs Minister of India on September 5, 2008 (hereinafter referred to as "the September 5 statement") constitutes an essential basis for cooperation between the two States under the Agreement.
- (ii) In implementing the provisions of Article 14 of the Agreement, the representative of the Japanese delegation stated that the Government of Japan may exercise its rights and initiate the procedures stipulated in the aforementioned article where there is any change in this basis.
- (iii) The representative of the Japanese delegation stated that an Indian action in violation of the September 5 statement could be viewed as a serious departure from the prevailing situation. In that situation, reprocessing of nuclear material subject to the Agreement will be suspended in accordance with paragraph 9 of Article 14 of the Agreement.
- (iv) The representative of the Japanese delegation further stated that in such a situation Japan reserves the right to contest India's claim of compensation for the adverse impact on the Indian economy due to disruption in electricity generation and loss on account of disruption of contractual obligations through the consultations provided for in paragraph 9 of Article 14 of the Agreement.
- (v) The representative of the Indian delegation stated that the Government of the Republic of India reiterates the September 5 statement.

II. It is understood that the above constitutes an accurate reflection of the views of the two sides.

At Tokyo, this the 11th day of November, 2016

For the Government of Japan:

T. Osuga

For the Government of
the Republic of India:

Amandeep Singh Gill