The Government of the Republic of India and the Government of the Kingdom of Bhutan:

Reaffirming their respect for each other's independence, sovereignty and territorial integrity;

Recalling the historical relations that have existed between our two countries;

Recognizing with deep satisfaction the manner in which these relations have evolved and matured over the years into a model of good neighbourly relations;

Being fully committed to further strengthening this enduring and mutually beneficial relationship based on genuine goodwill and friendship, shared interests, and close understanding and cooperation;

Desiring to clearly reflect this exemplary relationship as it stands today;

And having decided, through mutual consent, to update the 1949 Treaty relating to the promotion of, and fostering the relations of friendship and neighbourliness between India and Bhutan;

Have agreed as follows:

Article 1

There shall be perpetual peace and friendship between India and Bhutan.

Article 2

In keeping with the abiding ties of close friendship and cooperation between Bhutan and India, the Government of the Kingdom of Bhutan and the Government of the Republic of India shall cooperate closely with each other on issues relating to their national interests. Neither Government shall allow the use of its territory for activities harmful to the national security and interest of the other.
Article 3

There shall, as heretofore, be free trade and commerce between the territories of the Government of Bhutan and the Government of India. Both the Governments shall provide full cooperation and assistance to each other in the matter of trade and commerce.

Article 4

The Government of India agrees that the Government of Bhutan shall be free to import, from or through India into Bhutan, whatever arms, ammunition, machinery, warlike material or stores as may be required or desired for the strength and welfare of Bhutan, and that this arrangement shall hold good for all time as long as the Government of India is satisfied that the intentions of the Government of Bhutan are friendly and that there is no danger to India from such importations. The Government of Bhutan agrees that there shall be no export of such arms, ammunition and materials outside Bhutan either by the Government of Bhutan or by private individuals.

Article 5

The Government of Bhutan and the Government of India agree that Bhutanese subjects residing in Indian territories shall have equal justice with Indian subjects, and that Indian subjects residing in Bhutan shall have equal justice with the subjects of the Government of Bhutan.

Article 6

The extradition of persons wanted by either state for crimes and for unlawful activities affecting their security shall be in keeping with the extradition agreements between the two countries.

Article 7

The Government of Bhutan and the Government of India agree to promote cultural exchanges and cooperation between the two countries. These shall be extended to such areas as education, health, sports, science and technology.

Article 8
The Government of Bhutan and the Government of India agree to continue to consolidate and expand their economic cooperation for mutual and long-term benefit.

Article 9

Any differences and disputes arising in the interpretation and application of this Treaty shall be settled bilaterally by negotiations in a spirit of trust and understanding in consonance with the historically close ties of friendship and mutually beneficial cooperation that form the bedrock of Bhutan-India relations.

Article 10

This Treaty shall come into force upon the exchange of Instruments of Ratification by the two Governments which shall take place in Thimphu within one month of the signing of this Treaty.

The Treaty shall continue in force in perpetuity unless terminated or modified by mutual consent.

In witness whereof, the undersigned being duly authorized thereto by their respective Governments, have signed this Treaty.

Done at New Delhi on the Eighth Day of February Two Thousand and Seven, in two originals each in Hindi, Dzongkha and English languages, each text being equally authentic. However, in case of difference, the English text shall prevail.

For the Government of
The Republic of India

Sd/-

(Pranab Mukherjee)
Minister of External Affairs

For the Government of
the Kingdom of Bhutan

Sd/-

(H.R.H.Trongsa Penlop Jigme Khesar Namgyel Wangchuck)
The Crown Prince of Bhutan