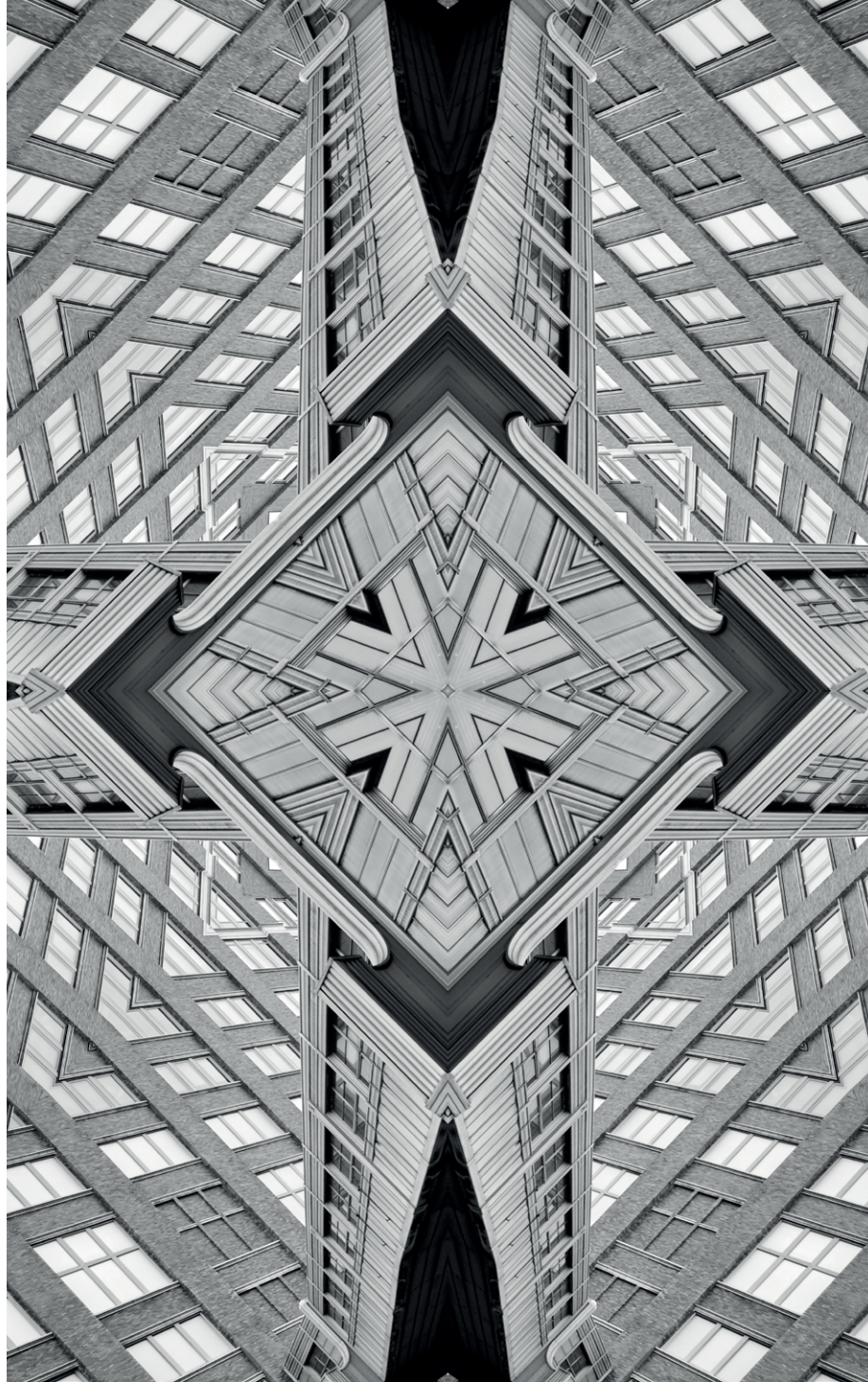


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Brief

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Nepal's Calculations Amid India-Pakistan Tensions

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Abstract

This brief discusses the character of Nepal's responses to recurring India-Pakistan conflicts, with a focus on the 2025 military escalation following the Pahalgam terrorist attack. Despite deep-rooted military, cultural, and economic ties with India—including the longstanding recruitment of Nepali Gurkhas into the Indian Army—Nepal's response has remained anchored in strategic ambiguity, balancing condemnation of terrorism with a deliberate refusal to endorse India's retaliatory military operations. This position is neither new nor accidental, and must not be misconstrued as merely a pragmatic choice. Instead, it reflects a legacy of the *Panchayati* regime that continues to inform and shape Republican Nepal's diplomatic priorities today.

Four days of ferocious shelling and aerial assaults between India and Pakistan, both of them nuclear powers, which ended with a ceasefire on 10 May 2025, laid bare the growing reliance of modern warfare on advanced technologies like drones, precision-guided munitions, missiles, and fighter jets. At the same time, they provoked questions about solidarity and moral support for the two countries' neighbours. The neighbours' political alignments, expressions of support (or their absence), and diplomatic encouragement or resistance, not only influence tactical or strategic calculations; they frame the normative discourse of the conflict.

Neighbours' responses contribute to either legitimising or de-legitimising the actions of warring parties, thereby affecting both regional stability and global perceptions. Kathmandu's reaction to the changing nature of India's response to Pakistan-based terror attacks holds a similar significance for New Delhi. This is not just because in all the wars India has fought, a large number of Nepali Gurkhas, as soldiers in the Indian Army, have contributed.¹ Yet despite sending its own citizens to fight India's wars on several occasions, Nepal often claims during India-Pakistan conflicts that it is "neutral".² Before describing such behaviour as "hypocritical", however, it should be understood that the Nepalis fighting for India are not from the Nepali Army, but were recruited by the Indian forces from the military labour market.³ Their participation does not imply the Nepali state's political support for India's military objectives.

Following India's independence in 1947, Nepal, India, and the United Kingdom (UK) reached a tripartite agreement that guaranteed the continuity of Gurkha recruitment in both the Indian and British armies.⁴ Since then, it has been a tradition for certain hill communities in the Western region of Nepal to join the Indian Army. Serving in the Indian Army, particularly as a Gurkha

soldier, was not only a source of livelihood for many Nepalis but also a source of prestige and honour within their communities.^a This deep-rooted sense of pride, however, began to waver with the introduction of the *Agnipath* scheme^b in June 2022, which altered the traditional structure of military recruitment in India and raised concerns about job security, long-term benefits, and the diminishing dignity associated with the role.⁵

The central and most pressing question remains unresolved: while thousands of Nepali men have fought—and continue to fight—in the ranks of the Indian Army, why does the Nepali state refrain from offering explicit political or diplomatic support to India in such conflicts? This silence, on the surface, appears to conform to Nepal's overall foreign policy—one that balances historical military ties with claims of non-alignment,⁶ a legacy of the *Panchayat* era of governance in the country (1960-1990).^c A closer look, however, shows that Nepal's foreign policy vis-à-vis India, and especially in relation to India's Kashmir dispute, has been ambiguous and inconsistent. This brief seeks to identify the actors and factors that make the Nepali response appear ambivalent despite the active political, economic, military, and civilisational ties between Nepal and India.

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- a During interactions with numerous Gurkha families across Western Nepal since 2017, this author developed an understanding that, prior to the introduction of the Agnibir programme, Gurkha recruitment was not simply a matter of employment—it was deeply entwined with ideals of social prestige and honour. This sentiment resonated consistently in conversations with the families of Gurkha soldiers who had served in the conflicts of 1971 and 1999. For these families, enlistment in the Gurkha regiments represented far more than a livelihood; it was a revered tradition, embodying pride, dignity, and an enduring legacy of sacrifice. Most of the established Gurkha families are now reluctant to encourage their sons to join the Indian Army under the Agnibir scheme.
- b A key reform in the Indian Army's recruitment process, aiming to enlist youth ages 17.5 to 21 for a four-year tenure, with only 25 percent of recruits retained after. The scheme has triggered widespread protests over the short service duration and post-retirement uncertainty. In response, the Nepal government urged India to postpone the recruitment of Gurkhas under the new scheme until Nepali political parties could arrive at a political consensus.
- c The *Panchayat* as a political system was instituted by the Nepali Shah King Mahendra in 1960 after dissolving the first democratic government led by B. P. Koirala and sending political leaders to prison. Although the term 'panchayat' was borrowed from an age-old social institution rooted in Nepal's traditional governance, its political reinvention under the Shah monarch bore little resemblance to its democratic origins. Instead, Mahendra's Panchayat was characterised by centralised authority, a rigid ban on political parties, and the suppression of dissent. He introduced several intermediate tiers for governance from the village to the national level, with the king himself at the apex. However, in 1990, a mass pro-democracy protest led Mahendra's son Birendra to dismantle the Panchayat structure and reintroduce multiparty parliamentary democracy.

In the past decade, India's counter-terrorism posture has undergone a marked transformation from a traditionally reactive and diplomatically restrained stance to a more assertive, proactive strategy characterised by publicly acknowledged retaliatory strikes on terror infrastructure located within Pakistan and Pakistan-occupied Kashmir. By asserting its readiness to act unilaterally, New Delhi has indeed recalibrated the regional deterrence framework. As a result, the emerging 'new normal' in India-Pakistan relations is now shaped by a fluid combination of military readiness, intelligence operations, and diplomatic assertiveness, rather than reliance on traditional mechanisms of bilateral or multilateral diplomacy.

India's evolving strategic behaviour has far-reaching implications for the broader South Asian security environment. In the case of Nepal, responses to India's assertiveness have been varied and complex. While sections of the public and policy community express appreciation for India's decisiveness in confronting terrorism, others voice concern over the implications of such actions and strategies. Also, Nepal's own geostrategic location between India and China, as well as its domestic political instabilities, render it an important lens through which to assess the regional implications of India's emerging security doctrine.

On 8 May 2025, Nepal's Foreign Affairs Ministry stated that it was "deeply concerned about the escalating tension between India and Pakistan, following the terrorist attack on innocent tourists in Pahalgam, India, on 22 April, in which a Nepali national also lost his precious life."⁷ The government condemned the attack and reiterated Nepal's firm opposition to terrorism in all forms. In a telephonic conversation, Nepal's Prime Minister K.P. Sharma Oli expressed his condolences to Indian Prime Minister Narendra Modi and reaffirmed Nepal's solidarity with India against terrorist acts.⁸

However, despite these gestures of camaraderie, Nepal refrained from explicitly endorsing India's retaliatory military actions.⁹ Possibly, Pakistan's denial of involvement in the Pahalgam terrorist attack influenced Nepal's response to India's 'Operation Sindoor'. Faced with conflicting narratives, Nepal appears to have opted for diplomatic restraint in a volatile and highly sensitive regional conflict, which was perceptible in the press release of its Foreign Affairs Ministry.¹⁰

Regardless of Pakistan's denials, its long history of support for militant groups continues to fuel widespread speculation about its use of terrorism as an instrument of state policy and undermines Islamabad's credibility on the global stage.¹¹ Its denials are increasingly difficult to accept at face value and appear intended to garner international sympathy—or, at least, neutrality—during

terrorism-provoked crises. And yet, without paying heed to Pakistan's credibility problem, Kathmandu hosted an 11-member delegation from Pakistan's National Defence University (NDU) on 6 May 2025.¹²

The timing of this visit—coinciding with India's heightened military posture following the Pahalgam terrorist attack—raised questions about Nepal's diplomatic messaging. While, as noted earlier, Nepal had expressed solidarity with India in condemning terrorism,¹³ its simultaneous engagement with Pakistan's military appeared, at best, tone-deaf and, at worst, politically reckless. Though the Nepali Army maintained that the visit was pre-scheduled and part of a routine training programme,¹⁴ the real question remains: was it prudent—or even appropriate—to proceed with such an engagement in the immediate aftermath of the events of 22 April, especially when India was strongly suspecting Pakistani involvement? A gesture of restraint, such as postponement or cancellation, would have demonstrated both diplomatic sensitivity and moral clarity.

This was not the first instance, however, of such behaviour. During the *Panchayat* era, hosting Pakistani delegates was routine for the Nepali state, particularly at two critical junctures when both India-Pakistan relations and Nepal-India relations were at their nadir.^d While Nepal's moral outrage over terrorism does not necessarily translate into clear support for its neighbour's strategic or military responses, the hosting of the delegation further fuelled growing suspicion about Nepal's diplomatic intentions and dealings. No doubt the delegates visited Nepal as part of an alumni gathering hosted by the Pakistani Embassy in Kathmandu, but it cannot be overlooked that the event was attended by former Chiefs of Army Staff of Nepal—Gen. Gaurav S. J. B. Rana was the chief guest, and Gen. Rajendra Chhetri a special guest,¹⁵ on the occasion. In his address, Col. Muhammad Ali Alvi, Pakistan's Defence Attaché, highlighted the longstanding military cooperation between the two nations. Pakistani Ambassador to Nepal, Abrar H. Hashmi, reaffirmed the close Nepal-Pakistan relationship, describing it as one rooted in mutual trust and collaboration across governments, militaries, and civil society.¹⁶ When high-ranking military figures participate in engagements with strategic adversaries of a close neighbour—even informally—it complicates perceptions of Nepal's neutrality. Such gestures, whether intentional or not, can be interpreted by external observers, particularly those in India, as a form of equivocation or diplomatic insensitivity.

d The strategy of hosting Pakistani delegates, especially during the low points in Nepal-India and India-Pakistan relations, served both symbolic and practical purposes for the *Panchayat* regime in Nepal: to assert Panchayat's foreign policy diversification, signal its diplomatic discontent with India and seek alternative regional alignments with the broader geopolitical limitations of the Cold War era.

Surveying Nepali Responses

The ambiguity of Nepal's response becomes more evident when domestic political reactions are considered. While some Nepali political leaders voiced clear support for India, others questioned the legitimacy of India's military retaliation. Senior Nepali Congress leader and former minister Bimalendra Nidhi praised India's 'Operation Sindoor' and congratulated the Indian Army "for the successful operation."¹⁷ Declaring his solidarity with India, he wrote on X, " We stand with India in the fight against terrorism."¹⁸

Similarly, Janamat Party chief C.K. Raut and Janata Pragatisheel Party's Hridayesh Tripathi endorsed India's right to self-defence and condemned terrorism as a global threat.¹⁹ However, CPN (Maoist Centre) General Secretary Dev Gurung challenged the basis of India's airstrikes, pointing out that there had been no independent investigation into the Pahalgam attack to fix responsibility. Gurung called for an international enquiry and a halt to military operations, arguing that unilateral strikes undermine peace and risk and drag the region into deeper conflict. Gurung's colleague Janardan Sharma, however, took a more moderate tone, acknowledging India's right to fight terrorism while calling for regional cooperation.²⁰

When this internal divergence was also mirrored in the Nepali Parliament, Nepali lawmakers urged the government to clarify its official position. While some lawmakers raised concerns over the use of Nepali Gurkhas in the Indian Army as frontline soldiers in a potential Indo-Pakistani war, others called on the government to ensure the safety of Nepali citizens living in India and Pakistan.²¹ Civil society added to the chorus of concern, issuing statements that denounced both terrorism and the prospect of escalating war between two nuclear powers. A joint declaration signed by 14 public figures—including former human rights commissioner Sushil Pyakurel—warned of the dangers of militarism and religious polarisation, calling for restraint and dialogue.²²

Diplomatic channels remained active but low-key. India's Ambassador to Nepal, Naveen Srivastava, met with Prime Minister Oli on 9 May to brief him on the unfolding developments.²³ During his three-day visit to Nepal from 30 April, Vijay Chauthaiwale, who heads the foreign affairs department of India's ruling Bharatiya Janata Party (BJP), reportedly sought assurance from Nepali leaders of their support in India's fight against terrorism.²⁴ His outreach was part of India's broader diplomatic effort to garner global backing against terrorism. On 8 May, Bhagat Singh Koshiyari, senior BJP leader, also held meetings with a few political leaders of Nepal.²⁵

Surveying Nepali Responses

Yet, despite India's repeated efforts and Nepal's stated commitment to counterterrorism, Kathmandu refrained from explicitly endorsing Delhi's military interventions. The interpretation that this was a calculated effort to preserve strategic autonomy and avoid entanglement in regional rivalries only partially explains such a position. Trends suggest that Nepal's stance on the Indo-Pakistan conflict is being shaped more by strategic ambiguity than consistent principles, guided less by the specifics of unfolding events and more by the dispositions of its political leaders and the orientations of its ruling regimes. Nepal's assertion of neutrality and non-alignment reveals the continuing influence of the *Panchayati* regime within its foreign policy posture.

Factors Influencing Nepal's Responses

If Gurkha recruitment in the Indian military is not the primary determinant of Nepal's response to India-Pakistan tensions, what underpins its foreign policy in this context? By no means is it the 1950 Treaty of Peace and Friendship signed between Nepal and India. Although the letter exchanged with the 1950 Treaty mentioned sharing security information, the treaty's relevance has been contested since its inception, with critics across the political spectrum in Nepal questioning both its legitimacy and its utility. Signed during a period of geopolitical flux, the treaty has always been perceived by many in Nepal as asymmetrical, disproportionately favouring Indian interests, and has since remained a point of diplomatic and political contention.²⁶

Nepal's foreign policy imagination, particularly in the context of the India-Pakistan conflict, appears to be shaped more by evolving domestic political dynamics, regime-specific priorities, and the desire to assert sovereign agency in a volatile regional order, rather than by treaties or a long-standing tradition of military labour migration. Further, Nepal's responses—particularly during the later stages of the Cold War and in the post-Cold War era—have been shaped by global interpretations of the India-Pakistan conflict and by dominant narratives concerning the fragility of South Asian regionalism.

For Kathmandu, cultivating cordial ties with Pakistan has historically served as a strategic counterbalance to India's dominant influence in the region. Such a balancing act became particularly evident during periods of political strain between Nepal and India. It all began in December 1960, when Nepali King Mahendra ended a decade-long democratic experiment in Nepal by jailing the elected leaders and ruling the country directly. This political shift drew sharp criticism from then Indian Prime Minister Jawaharlal Nehru, who described it as a “setback to democracy.”²⁷

Soon after, in a clear signal of diplomatic recalibration, King Mahendra embarked on a state visit to Pakistan in September 1961, marking a deliberate pivot in Nepal's foreign policy. This move was reciprocated by Pakistan's then president, General Ayub Khan, who visited Nepal in May 1963, further consolidating bilateral ties. Although Nepal carefully articulated a policy of neutrality on contentious regional issues, most notably the Kashmir conflict, it allowed the Pakistan embassy to distribute a special edition of its bulletin *Pakistan News* to the guests at the state banquet hosted by King Mahendra in honour of Ayub Khan on 9 May 1963. The publication included the population statistics of Kashmir and advocated conducting a plebiscite there to determine which country its citizens wanted to be part of—India or Pakistan.²⁸

Factors Influencing Nepal's Responses

Nepal's attempts at neutrality were a fresh endeavour under the *Panchayat* system that gained further momentum during the China-India conflict of 1962.²⁹ However, it should also be recalled that during the Hyderabad and Kashmir crises in mid-1948,³⁰ when Nepal's last Rana Prime Minister, Mohan Shumsher, was still in power, he had offered New Delhi the "loan of 10 Nepali Army battalions at a time when the resources of the Indian Army were badly strained."³¹ Later, in 1950, Shumsher also said publicly that "Nepal would come to India's aid whenever this was required."³² (Incidentally, Princess Yasho Rajya Lakshmi, Shumsher's granddaughter, married Karan Singh, the Prince of Jammu and Kashmir, in 1950.³³)

At first glance, King Mahendra's 1961 actions might appear as a principled commitment to non-alignment that signalled Kathmandu's intention of maintaining equidistance from both India and Pakistan. His position was lionised by his supporters as part of a broader strategy to affirm Nepal's sovereign decision-making and diplomatic independence. However, beneath this principled façade, his recalibration was driven by a desire to consolidate and prolong his authoritarian rule under his newly established party-less *Panchayat* system, since India had already expressed its disapproval of it. Seeking international legitimacy and support beyond India's sphere of influence, King Mahendra aimed to diversify Nepal's diplomatic engagements to insulate his regime from Indian pressures.³⁴

For the same reason, he also travelled extensively, visiting not only the erstwhile Soviet Union and Communist China but also the United States. This marked a clear departure from the approach taken by his father, King Tribhuvan, who, during the political crisis of 1950, had been compelled to accept Indian support to escape the autocratic control of Prime Minister Mohan Shumsher. While King Tribhuvan's alignment with India was born of necessity, his son's distancing from India was a deliberate attempt to craft a more autonomous foreign policy that would serve his regime best.³⁵

Even in the 1950s, before the *Panchayat* system was introduced, Nepal's response to India-Pakistan tensions used to be shaped by changes in leadership and competing interests. While Tanka Prasad Acharya, Prime Minister from January 1956 to July 1957, sought to maintain balanced relations with both India and China, Kunwar Inderjeet Singh, who succeeded him, reoriented Nepal's foreign policy towards a pronounced alignment with India.³⁶ Singh endorsed India's position on the Kashmir issue, stating explicitly during a press conference in Kathmandu on 3 August 1957: "We shall support India over the Kashmir issue. There is no doubt about it. Kashmir was and is a part of India, and the people of Kashmir desire to live with the Indian Union; we respect their wishes."³⁷ As Singh denied the Soviet Union and China the opportunity to establish embassies in Kathmandu,³⁸ the pervasive influence of the Cold War on Nepal remained unmistakable, subtly shaping its diplomatic posture.

Factors Influencing Nepal's Responses

Soon after King Mahendra dismissed the elected government in December 1960, in an interview broadcast on Radio Nepal on 24 September 1961, his minister Tulsi Giri offered a notably reserved response Kashmir. “I have nothing to say. Our opinion has not been sought,” he replied.³⁹ Pressed further on whether he endorsed Dr. K. I. Singh view—that Kashmir rightfully belonged to India—he simply reiterated, “I have nothing to say.”⁴⁰ At the time, Nepal had openly supported India on matters such as Goa’s liberation from Portuguese rule. But Kashmir was an exception—Nepal’s backing of India’s position remained “quiet and informal”.⁴¹

The first steps towards a potential relationship between Nepal with Pakistan were taken in April 1956, when Pakistan’s Foreign Minister, Hamidul Haq Chaudhry, visited Kathmandu to attend the coronation of King Mahendra.⁴² Pakistan then voiced its interest in formalising diplomatic ties with Nepal. While Nepal responded positively, the move was met with apprehension by India, which perceived it as a strategic concern. This delayed formalising bilateral ties;⁴³ nevertheless, Nepal eventually took the step in May 1960. It was the same year when differences between King Mahendra and Nehru resurfaced.

Nepal’s posture during the 1965 war between India and Pakistan further illustrates the intricacies and opacities of its foreign policy. When the war began in September, King Mahendra sent identical letters to the presidents of both India and Pakistan, emphasising that Nepal had “taken no sides on the question of Kashmir.”⁴⁴ While the official position underlined neutrality and called for peaceful resolution of disputes between the two South Asian neighbours, Nepal’s action suggested a more nuanced, if not strategically ambivalent, posture.

Notably, just before the outbreak of hostilities, the Nepali government had signed the Pakistan-Nepal Collaboration Treaty, an act that cast doubt on the consistency of Kathmandu’s supposedly neutral stance.⁴⁵ Such doubt was further compounded by the arrival of Pakistani trade delegations in Kathmandu, which offered landlocked Nepal access to Chittagong port (in erstwhile East Pakistan) as an alternative to India’s Calcutta port, intending to subtly draw Nepal into Pakistan’s strategic orbit.⁴⁶ Perhaps most striking was that Nepal’s then Foreign Minister, Kirti Nidhi Bista, while en route to China, publicly voiced support for Pakistan’s position on the Kashmir dispute, particularly endorsing the principle of self-determination for the Kashmiri people.⁴⁷ Taken together, the developments revealed that Nepal’s proclaimed neutrality was not a straightforward or consistent position, but rather an ambiguous one, shaped by competing imperatives of strategic diversification, regime survival, and the desire to assert an independent foreign policy identity.

Factors Influencing Nepal's Responses

At the same time, the India-Pakistan war of 1965 prompted a number of Nepali youths to enlist in the Indian army, encouraged by the establishment of a temporary recruitment office near the Nepal-India border.⁴⁸ Thus, while Nepal was actively sending its men to serve in the Indian military, its government was concurrently entering into economic agreements with Pakistan. Arguably, Nepal viewed the situation as a strategic opportunity to assert its autonomy and signal New Delhi that it could sustain cordial relations with both of India's adversaries, China and Pakistan—even during war. By framing a hedging strategy under the guise of neutrality, Nepal spurned India's claim that New Delhi would consider Nepal's friends as its friends and Nepal's enemies as its enemies.⁴⁹

Radio Pakistan even reported at the time that Nepal was supporting Pakistan in the war and had requested India not to deploy Gurkha troops against it.⁵⁰ Although the foreign ministry in Kathmandu swiftly denied such reports, Nepal's Foreign Minister K. N. Bista took the trouble to visit Pakistan—in January 1966, within months of the war ending—to clarify that Nepal's treaty obligations with India left it powerless to prevent the use of Gurkha troops against a third country. Bista reportedly even stated that Nepal was seriously considering revising the existing agreement with India and Britain.⁵¹

So too, was Nepal's response to the 1971 Bangladesh liberation war and the subsequent emergence of Bangladesh characterised by strategic caution. A diplomatic dilemma was whether or not to recognise Bangladesh, given Nepal's traditionally cordial relations with Pakistan, from which Bangladesh had seceded, as well as with China, which had actively opposed the fragmentation. Yet Nepal also wanted to retain friendly ties with India and the Soviet Union, both of which played pivotal roles in supporting the political and military developments that facilitated East Pakistan's transformation into an independent Bangladesh.

In 1970, just a year before the crisis unfolded, King Mahendra had hosted Pakistani President Agha Mohammad Yahya Khan in Kathmandu; their joint communiqué had emphasised a shared commitment to non-interference, stating that “one of the greatest dangers to world peace was the direct or indirect interference in the internal affairs of a country by outsiders.”⁵² Adding further to the tension were global considerations—the US was on Pakistan's side; then US Secretary of State Henry Kissinger had interpreted New Delhi's approach to the East Pakistan crisis as driven not by humanitarian concerns but by a strategic ambition to assert regional dominance. “I had no doubt that we were now witnessing the beginning of an India-Pakistan war and that India had started it... But what had caused the war, in Nixon's view (and mine), went beyond the refugee problem; it was India's determination to use the crisis to establish its pre-eminence on the subcontinent,” he wrote later in his book, *White House Years*.⁵³

Factors Influencing Nepal's Responses

At the same time, China's inability to support Pakistan during the war exposed its limited influence south of the Himalayas and marked India's growing regional dominance. Recognising this, Nepal's delegate at the UN openly acknowledged his country's geopolitical vulnerability, surrounded as it is by far more powerful neighbours.⁵⁴ Ultimately, Kathmandu recalibrated its position, following the visit of Indian Foreign Minister Swaran Singh to Nepal in September 1971; Singh was able to convince several factions within the Nepali government that the Bangladesh crisis was not merely an "internal matter of Pakistan,"⁵⁵ but a broader regional and geopolitical issue. This evolving perspective culminated in Nepal's formal recognition of Bangladesh on 16 January 1972⁵⁶ as an "undeniable political reality." Nevertheless, Nepal strived to avoid provoking Pakistan, maintaining a delicate diplomatic balance wherever possible.⁵⁷ The birth of Bangladesh, however, did prompt it to reassess its strategic alignment between China and India.⁵⁸

The emergence of the Bangladesh movement, which had gathered momentum by June–July 1971, proved especially significant for Nepal's trade relations with India. Tensions had been persisting between India and Nepal since late 1968, but these were gradually resolved by the end of 1971. A major step was King Mahendra's meeting with then Indian Prime Minister Indira Gandhi in New Delhi on 10 June 1971, which paved the way for a new Treaty of Trade and Transit between India and Nepal on 13 August 1971.^e While the treaty was ostensibly economic, its deeper strategic function during the Bangladesh Liberation Movement lay in anchoring Nepal's neutrality within a rapidly polarising regional context. India-Nepal relations had been tense following the withdrawal of the Indian military mission from Nepal in 1969 and Kathmandu's growing ties with Beijing and Islamabad. Thus, the 1971 treaty served to recalibrate bilateral relations at a critical time, helping India secure diplomatic goodwill from Nepal as it entered into conflict with Pakistan over Bangladesh. In the words of Prof. S. D. Muni, the treaty played a role in generating "undeclared sympathies" for India from Nepal's side.⁵⁹

With the emergence and gradual institutionalisation of South Asian regionalism, particularly through frameworks such as the South Asian Association for Regional Cooperation (SAARC) started in December 1985, Nepal's engagement with Indo-Pakistani dynamics underwent a notable shift. Though it had been historically maintaining a position of cautious neutrality, Nepal now began recalibrating its diplomatic posture in light of the evolving

e The first Trade and Transit treaty between India and Nepal was signed in October 1950, a few months after the Treaty of Peace and Friendship between the two countries. It had several features, while principally allowing Nepali exports and imports to pass through Indian territory without attracting customs duties. The treaty was renewed in 1960, and again in 1971.

Factors Influencing Nepal's Responses

regional order—one that emphasised regional peace, economic integration, and multilateral dialogue. For instance, Nepal viewed the India-Pakistan Kargil Conflict of 1999 not only as a bilateral conflict between the two, but also as an impediment to the broader project of South Asian regionalism. As one of the founding members of SAARC, Nepal increasingly sees regional peace and stability as preconditions for the collective development and progress of South Asia. Within this framework, it interprets any armed conflict between SAARC member states as a direct threat to the regional integration process and the ideals of cooperation, mutual trust, and shared prosperity.

Consequently, Nepal's response to the Kargil conflict, in which several Gurkha soldiers serving in the Indian Army lost their lives, was markedly different from its earlier approaches to India-Pakistan tensions. Rather than aligning with either side or maintaining strategic ambiguity, Nepal emphasised the importance of dialogue, restraint, and peaceful resolution in line with the principles of regionalism enshrined in the SAARC charter. The shift in tone and emphasis reflected Nepal's evolving foreign policy priorities—moving from reactive neutrality toward proactive regional engagement. In doing so, Nepal signalled its commitment to the vision of a cohesive South Asia, where development would be contingent on the peaceful coexistence of its member states.

Nepal's responses to Indo-Pakistani crises—including the military standoff following the terror attack on the Indian Parliament in December 2001, the November 2008 Mumbai attacks, the September 2016 Uri strikes, the 2017 border skirmishes, and the 2019 Pulwama attack—were largely informed by its enduring normative orientation toward regional peace, stability, and the doctrine of non-alignment. Despite the emotive and political complexity of these episodes, Kathmandu consistently highlighted the importance of dialogue, restraint, and regional cooperation over confrontation—despite the fact that Nepali nationals serving as Gurkha soldiers in the Indian Army were directly impacted by the violence. On 22 May 2017, for instance, three Nepali Gurkhas enlisted in the Indian Army were killed during a cross-border exchange of fire in the Naugam Sector along the Line of Control (LoC) in Kashmir, the contested and highly militarised frontier between India and Pakistan.⁶⁰ Despite the tragic loss of its citizens in a foreign conflict, Nepal refrained from issuing overtly critical statements or aligning overtly with either side, underscoring its careful navigation of regional sensitivities and its adherence to a policy of balanced diplomacy.

Factors Influencing Nepal's Responses

This measured approach is indeed illustrative of a broader pattern in Nepal's foreign policy behaviour, where normative ideals of regional harmony, particularly as a member of SAARC, are prioritised over reactive or emotive diplomacy. It also reflects Nepal's recognition of the complex interdependence that characterises South Asian geopolitics, intersecting historical, economic, and military ties across national boundaries. Even when Nepal's own nationals were casualties of regional conflict, as in the case of Gurkhas in the Indian Army, the state's commitment to promoting dialogue and de-escalation remained central to its diplomatic identity.


Historically, due to shifting domestic priorities and the need for geopolitical balancing, Nepal often maintained an ambivalent and even, at times, inconsistent position on India-Pakistan tensions. The contemporary regional landscape, however—marked by Nepal’s chairmanship of SAARC and formal commitments under the 1997 SAARC Convention on Suppression of Terrorism—demands a clearer and more assertive stance against terrorism. Despite such experiences as the 1999 hijacking of Indian Airlines flight IC-814, which originated from Kathmandu (from where the terrorists also boarded), Nepal has remained silent following recent developments involving key perpetrators of that event.

On 7 May, during 'Operation Sindoor', the Indian Army conducted targeted strikes on nine terrorist training camps in Pakistan, which were reportedly used to train militants affiliated with terror groups such as Jaish-e-Mohammed (JeM), Lashkar-e-Taiba, and Hizbul Mujahideen. Among those killed were a number of close relatives and associates of Masood Azhar, the current leader of JeM, and one of the three militants released by India in exchange for the hostages during the IC-814 crisis. Rauf Azhar—Masood Azhar’s brother, and the operational mastermind behind the IC-814 hijacking—was also reported killed in the strikes. Though knowing full well the historical context and past implications of such events, Nepal has remained conspicuously silent on this development and has not issued any official statement.

On one hand, this silence raises questions about Kathmandu’s diplomatic priorities and its willingness to confront and comment on issues that, while primarily regional, are linked to its own diplomatic and security history and international obligations. On the other, it also points to the fact that, while such assertiveness may be justified in the name of counter-terrorism, it sets a precedent that unsettles India’s neighbours. For Nepal, the concern is not simply about India’s actions against Pakistan, but also about the possibility that this same strategic logic could be extended elsewhere in the region, should India perceive its interests at stake. The step India took is not merely a diplomatic discomfort for its immediate neighbours—it is a strategic anxiety, which could inadvertently alienate them, fuelling mistrust and weakening the very stability India seeks to uphold.

Conclusion

Further, Indian media coverage of its government's anti-terror strategies is widely consumed in Nepal. There is growing concern among Nepal's political analysts and informed public that the hyper-nationalistic reportage—primarily targeted at a domestic Indian audience—reinforces narratives rooted in fear, suspicion, and polarisation.

Lastly, this examination of Nepal's diplomatic posture during the India-Pakistan conflict reveals that attributing Kathmandu's response to external influences, such as that exerted by China or the US, lacks analytical merit. Any such interpretation risks oversimplifying the complex and historically grounded nature of Nepal's foreign policy behaviour, which appears to be rooted in the *Panchayati*-era tradition, with attempts at non-alignment and neutrality at its centre. 

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All views expressed in this publication are solely those of the authors, and do not represent the Observer Research Foundation, either in its entirety or its officials and personnel.

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