

Agreement regarding Technical Cooperation

January 25, 1960

AGREEMENT BETWEEN THE GOVERNMENTS OF INDIA AND JAPAN CONCERNING THE ESTABLISHMENT OF PROTOTYPE PRODUCTION AND TRAINING CENTRE FOR SMALL SCALE INDUSTRIES

New Delhi

The Government of India and the Government of Japan, earnestly desiring to advance the economic and technical cooperation between the two countries and thereby to strengthen further the friendly relations which traditionally exist between the two countries, have agreed as follows :

Article I

There shall be established a Prototype Production and Training Centre for Small Scale Industries (hereinafter called "the Centre"), at Howrah, West Bengal, which shall execute the following functions :

1. Practical and theoretical training of skilled workers and technicians for small scale industrial units as well as of the technical staff of the Departments of Industries of the States in India and of the Small Scale Industries organizations of the Government of India;
2. Development and production of prototypes of machines, tools and accessories to be supplied to small scale industrial units for enabling the reproduction of such prototypes on a commercial basis by these units;
3. Development of special types of machinery to assist small scale industrial units in improving their production techniques.

In so far as the above-mentioned functions are not hindered, the Centre may execute job orders on non-commercial basis for the production of certain specialized components which cannot be produced by small scale industrial units.

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Article II

1. In accordance with laws and regulations in force in Japan, the Government of Japan will take necessary measures to provide at their own expense the services of a Japanese director and of requisite Japanese teaching and technical staff as listed in Annexure I in addition to those of a technical consultant required for the installation of machinery and equipment referred to in Article III.
2. The Japanese director and teaching and technical staff should be granted privileges, exemptions and benefits, as mentioned in Annexure II, and shall be granted privileges, exemptions and benefits no less favourable than those granted to the experts of the third countries under similar circumstances.

Article III

In accordance with laws and regulations in force in Japan, the Government of Japan will take necessary measures to make available at their own expense teaching aids, machinery, equipment,

tools and spare parts required for the establishment of the departments at the Centre as listed in Annexure III.

Article IV

The Government of India undertake to bear claims, if any arise, against the Japanese director and teaching and technical staff resulting from, occurring in the course of, or otherwise connected with the bona fide discharge of their functions in India covered by this Agreement.

Article V

1. The Government of India undertake to provide at their own expense:

I. an Indian director and requisite Indian technical and administrative staff, as listed in Annexure IV;

II. requisite buildings as listed in Annexure V as well as land and incidental facilities required therefor;

III. raw materials, replacements of machinery, equipment and tools, and any other materials necessary for the operation of the Centre;

IV. suitable furnished accommodation and transportation facilities for the Japanese director and teaching and technical staff.

2. The Government of India undertake to meet

. customs duties, internal taxes and other similar charges, if any, imposed in India in respect of the articles referred to in Article III;

I. expenses necessary for the transportation of the articles referred to, in Article III within India as well as for the installation, operation and maintenance thereof;

II. stipends for trainees,

III. any other running expenses necessary for the operation of the Centre.

Article VI

The Japanese director shall be responsible for the technical matters pertaining to the functions of the Centre referred to in Article 1, while the Indian director shall function as his counterpart in these technical matters and shall in addition be responsible for the administrative matters pertaining to the functions of the Centre.

Article VII

Both Governments agree that there shall be mutual consultation for the purpose of advancing the objectives of the Centre and of successfully promoting Indo-Japanese cooperation in operating the Centre.

Article VIII

1. This Agreement shall enter into force on the date of its signature.

2. This Agreement shall remain in force for a period of three years from its entry into force and shall continue in force thereafter provided that it shall be terminated on the date of expiry of the above-mentioned three years period or thereafter if either Government have previously given to the other Government at least six months written notice of their intention to terminate the Agreement.

DONE in duplicate at New Delhi in English on this the 25th day of January, 1960.

(Sd.) L.K. JHA

For the Government of India.

(Sd.) SHIROSHI NASU

For the Government of Japan.

ANNEXURE I

LIST OF JAPANESE STAFF AT THE CENTRE

Director Department head, designing Department head, production Department head, training Superintendent, machine shop and tool room Superintendent, electrical measuring instrument shop Superintendent, forging, smithy and welding shop Superintendent, foundry Chief of laboratory (physical tests, chemical tests, material tests) Instructor for machine shop Instructor for electrical measuring instrument shop Instructor for forging and smithy shop, Instructor for welding shop, Instructor for foundry, Instructor for grinding and planting shop, Instructor for benchwork and assembly Instructor for pattern shop, Metallurgist for heat treatment and welding Tool engineer

ANNEXURE II

PRIVILEGES EXEMPTION AND BENEFITS

The Government of India shall accord to the Japanese director and teaching and technical staff the following privileges, exemptions and benefits: (1) Exemption from payment of Indian Income-tax (2) Duty-free concessions available under the normal baggage rules (3) Duty-free import of the following articles : (a) one personal automobile or motor cycle; (b) one refrigerator and/or home freezer; (c) one radio or radio-gramophone; (d) minor electrical appliances and accessories; (e) air-conditioner; (f) professional equipment and gadgets;

JAPANESE EMBASSY, INDIA.

New Delhi, the 25th January, 1960

Sir,

I have the honour to refer to the Agreement concern the r Small Establishment of Prototype Production and Training Centre FOR SMALL SCALE industries between the Government of Japan and the Government of India signed today and to confirm the following understanding reached between the representatives of the two Governments concerning the articles referred to in Article III of the Agreement (hereinafter called "the Articles") :

1. The Government of Japan will take necessary measures to vest in the Government of India as a free gift, the ownership of the articles,, when a legislation which will enable such transfer of ownership, will come into force. Pending such transfer of ownership, the articles which are handed over to the Government of India shall be deemed to be made available to the Government of India without creating any financial obligation to the Government of India.
2. The Government of India will utilise the articles exclusively for the purposes consistent with the objectives of the Centre.

I have further the honour to propose that the present note and your reply confirming the above understanding shall be regarded as constituting an agreement between the two Governments which shall come into force on the date of the exchange of notes and shall remain in force for the period of the Agreement concerning the Establishment of Prototype Production and Training Centre for Small Scale Industries between the Government of Japan and the Government of India.

Accept, Sir, the assurances of my high consideration.

Sd/- (SHIROSHI NASU)
Ambassador of Japan to the Republic of India.

Mr. L.K. JHA,
Additional Secretary to the Government of Ministry of Commerce and Industry,
New Delhi.

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 25th January, 1960

Dear Mr. AMBASSADOR,

I have the honour to acknowledge receipt of your Excellency's note of today's date, which reads as follows

(Not reproduced)

I have further the honour to confirm the above understanding as stated in your Excellency's note and to agree that your note and the present reply shall be regarded as constituting an agreement between the two Governments which shall come into force on the date of the exchange of notes and shall remain in force for the period of the Agreement concerning the Establishment of Prototype Production and Training Centre for Small Scale Industries between the Government of Japan and the Government of India.

Accept, Mr. Ambassador, the assurances of my high consideration.

Sd/- (L.K. JHA)
Additional Secretary to the Government of India

His Excellency Mr. SHIROSHI NASU,
Ambassador of Japan to the Republic of India, New Delhi.