

Agreement regarding Technical Co-operation

October 25, 1958

AGREEMENT BETWEEN INDIA AND THE FEDERAL REPUBLIC OF GERMANY REGARDING THE ESTABLISHMENT OF A PROTOTYPE PRODUCTION AND TRAINING CENTRE FOR SMALL SCALE INDUSTRY

New Delhi

The Government of India and the Government of the Federal Republic of Germany desiring to advance and consolidate the economic development as well as the mutual economic and technical cooperation of their countries, and in implementation of the offer made by the German Federal Government in its Note of 28 March 1957, have agreed as follows

Article 1

An Indo-German Prototype Production and Training Centre for Small Scale Industries, hereinafter called "the Centre", shall be established at Okhla/Delhi.

Article 2

The said Centre shall serve the following objectives

- (a) practical and theoretical training of skilled workers and technicians for small scale industrial enterprises and the Small Industries Service Institutes;
- (b) development of special types of machines and equipment for Indian Small Scale Industry;
- (c) development and construction of prototypes of such machines, implements, component parts and the like as are suitable for production by small scale industrial units;
- (d) execution of job orders covering such phases of manufacture as cannot be carried out by small scale industrial units.

Article 3

Both Governments undertake to contribute to the establishment, development and maintenance of the Centre in accordance with the following provisions.

Article 4

The Government of the Federal Republic of Germany shall provide, free of charge, for the Centre :

- (a) the necessary training aids, machinery, and equipment as well as tools and spare parts;
- (b) the Director and the necessary German staff of instructors and experts for a period of three years;
- (c) a German consultant architect.

The articles mentioned under (a) above shall be shipped c.i.f. by the Federal Republic of Germany to Bombay and shall, upon being handed over there to the Indian authorities, become the property of the Indian Government, provided, however, that they shall be at the disposal of the German staff mentioned under (b) above so as to enable them to discharge their functions for the duration of their employment.

The German contribution under (a) above shall be for the departments as stated in Annexure I and under (b) above for the staff as listed in Annexure 11.

Article 5

The Government of India shall provide, at its own expense, for the Centre :

- (a) the land and buildings required;
- (b) suitable furnished accommodation for the German staff;
- (c) any other expenditure necessary for the installation of machinery and equipment and for operation and maintenance, such as raw materials, replacements of tools and spare parts;
- (d) an Indian director and the necessary technical and administrative staff.

The Indian contribution under (a) and (b) above shall be for the buildings as listed in Annexure III and under (d) above shall be as under Annexure IV.

Article 6

The German Director shall be responsible for all technical matters pertaining to training and prototype production in the Centre for a period of three years while the Indian Director shall function as his counterpart in these technical matters and shall in addition be responsible for- the day to day management and administration of the Centre.

Article 7

For the purpose of advancing the objectives of the Centre and of successfully promoting Indo-German cooperation in operating the Centre, a board shall be set up consisting of two nominees each of the Government of India and of the Government of the Federal Republic of Germany.

Article 8

The Government of India shall ensure that the German staff of instructors and experts to be despatched to India under this Agreement, are granted privileges and concessions in respect of taxes, customs duties etc., in accordance with the special arrangements in Annexure V

Article 9

The Government of the Federal Republic of Germany hereby declares its readiness in special cases to be decided by individual agreement, and at the expense of the Federal Republic of Germany, appropriately to train Indian technical instructors in the Federal Republic of Germany for purposes of the Centre.

Article 10

Amendments to the articles of this Agreement may be made by mutual consent of both Governments.

The present Agreement shall enter into force on the day of its signature.

It may be terminated by either of the two Governments giving one year's notice upon the expiry of two years from the date on which the Centre has been put into operation.

DONE at New Delhi on the 25th day of October, 1958 in two originals in the English and German languages, each text being equally

authentic.

(Sd.)

S. RANGANATHAN

For the Government of India.

(Sd.)

Dr. WILHELM MELCHERS

For the Federal Republic of Germany.

ANNEXURE I

LIST OF DEPARTMENTS AT THE CENTRE

1. Tool shop.
2. Machine shop Bench work Assembly including works inspection
3. Smithy and Forging shop.
4. Grinding and Plating shop.
5. Heat treatment shop.
6. Welding.
7. Sheetmetal shop.
8. Foundry (including metal casting and testing laboratories).
9. Pattern shop.
10. Woodworking shop.
11. Paint shop.
12. Maintenance shop (electrical).
13. DrawingOffice.
14. Testing laboratories for physical, chemical and structural tests.

ANNEXURE II

LIST OF GERMAN STAFF AT THE CENTRE

- 1 Director
- 3 Department Heads: Designing, Production, Training
- 3 Assistants: Designing, Production, Training
- 1 Head of Laboratory: Physical tests, Chemical tests, Material testing
- 1 Metallurgist for Heat treatment
- 1 Superintendent Foundry
- 5 Instructors for Machine Shop, Benchwork and Assembly
- 1 Instructor for Tool Room
- 1 Instructor for Welding and Sheetmetal shop
- 1 Instructor for Grinding and Plating shop

- 1 Instructor for Pattern making
- 1 Instructor for Wood working
- 1 Instructor for Foundry
- 1 Instructor for Paint Shop
- 1 Instructor for Forging

NNEXURE III

PARTICULARS OF BUILDINGS TO BE CONSTRUCTED AT OKHLA FOR THE CENTRE BY THE GOVERNMENT OF INDIA

Buildings for the following Departments:

1.

I.Manufacture and Assembly shop complete with sub-assembly stores.

II.Tool-room complete with tool-issue stores.

III.Grinding and Electroplating shop.

IV.Sheet-metal and welding shop.

V.Reconditioning and maintenance shop.

2. Wood-working shop consisting of:

.General Wood-working shop.

I.Pattern shop.

II.Cut timber store.

III.Pattern store.

3. General Stores (Iron, Steel & Hardware materials etc.)

4. Foundry shop (Ferrous castings). Foundry shop (non-ferrous castings). Core-making shop. Core room (hot) space only to be provided. Sand-testing and chemical-analysis room. Sand and shot blasting Departments (covered space to be provided) Pig-iron and coke bunkers.

5. Smithy and Forge shop

6. Heat treatment shop (provision to be made in Smithy shop).

7.

.Final inspection and testing.

I.Paint shop.

II.Packing Department.

III.Finished goods stores.

IV.Loading ramp (covered space to be provided).

8. Administration Buildings, which will house the drawing office also.

9. Training School (Class-rooms)
10. Time Office.
11. Incoming material inspection room.
12. Testing Laboratory.
13. Hospital.
14. Fire Brigade (covered space to be provided).
15. Canteen.
16. Washroom and lavatories.
17. Trainees Hostel.
18. Staffquarters.

ANNEXURE IV

LIST OF INDIAN STAFF TO BE PROVIDED BY THE GOVERNMENT OF INDIA AT THE CENTRE

1. Director.
2. Indian counter-parts for the German specialists in the following departments: Designing. Production (Time-study, cost-accounting, planning, progressing and scheduling). Training. Chemical and Physical laboratory. Heat Treatment. Foundry. Machine shop. Smithy and Forging. Fitting and Assembly. Inspection and testing.. Tool room. Sheet-metal and welding. Grinding and plating shop. Pattern making. Wood working. Paint shop.
3. A Deputy Director for Administration and clerical staff for administration, accounts, stores, etc.,
4. Permanent staff of skilled and unskilled workers, helpers, chowkidars, sweepers etc.,

ANNEXURE V

PRIVILEGES AND CONCESSIONS GRANTED TO GERMAN STAFF

The Government of India shall accord to the German staff of instructors and experts the following privileges:

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:

I. one personal automobile or motor cycle;

II. one refrigerator and/or home freezer;

III. one radio or radio-gramophone;

IV. minor electrical appliances and accessories;

V.air-conditioner;

VI.professional equipment and gadgets; on condition that these articles shall be exported back when the German staff leave India on' completion of their assignment, and that any of these articles can be disposed of in India only with the prior permission of the Government of India, and that, in such cases customs duty at the rates leviable shall be paid by the German staff of instructors concerned.

4. Free medical care as admissible to experts assigned to India under the Colombo Plan.

LETTERS

No. 1.

New Delhi, 25th October, 1958

Botschaft der Bundesrepublik Deutschland

Embassy of the Federal Republic of Germany

Dear Mr. RANGANATHAN,

With reference to the agreement signed today between the Government of the Federal Republic of Germany and the Government of India concerning the Establishment of an Indo-German Prototype Workshop and Training Centre for Indian Small Scale Industry, I have the honour to inform you of the following :

The Government of the Federal Republic of Germany in accord with the Senate of Berlin desires to include the Land Berlin in the Agreement between the Government of the Federal Republic of Germany and the Government of India and, for this, proposes to, the Government of India to conclude the following arrangement:

"The Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany shall not have made a declaration to the contrary to the Government of India within three months from the date of signature of this Agreement."

In case the proposal of the Government of the Federal Republic of Germany meets with the consent of the Government of India, the above arrangement between our two Governments on the inclusion of the Land Berlin in the Agreement signed today between the Government of the Federal Republic and the Government of India concerning the Establishment of an Indo-German Prototype Workshop and Training Centre for Indian Small Scale Industry, shall be regarded as having been concluded with the confirmation of this note.

Yours sincerely,

Sd/- (Dr. WILHELM MELCHERS)
Ambassador of the Federal Republic of Germany.

Mr. S. RANGANATHAN,

Secretary of the Government of India, Ministry of Commerce and Industry,

New Delhi.

No. 2.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, 25th October, 1958

Dear Dr. MELCHERS,

I have the honour to acknowledge receipt of your letter of today's date, in which you inform me that the Government of the Federal Republic of Germany in accord with the Senate of Berlin desires to include Land Berlin in the Agreement signed today between the Government of India and the Government of the Federal Republic of Germany concerning the Establishment of an Indo-German Prototype Workshop and Training Centre for Indian Small Scale Industry, and for this purpose to conclude the following arrangement with the Government of India :

"The Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany shall not have made a declaration to the contrary to the Government of India within three months from the date of signature of this Agreement."

I have the honour to inform you that the proposal of the Government of the Federal Republic of Germany has met with the consent of the Government of India. Accordingly, as a result of your letter and the present reply, the above arrangement between our two Governments on the inclusion of Land Berlin in the Agreement, signed today, between the Government of India and the Government of the Federal Republic of Germany concerning the Establishment of an Indo-German Prototype Workshop and Training Centre for Indian Small Scale Industry shall be regarded as having been concluded. .

Yours sincerely,

Sd/- (S. RANGANATHAN)

Secretary to the Government of India.

His Excellency, Dr. WILHELM MELCHERS,
Ambassador of the Federal Republic of Germany, New Delhi.