

No. 11394

**DENMARK
and
INDIA**

Agreement on the Establishment of a Technical Training Centre and a Service Centre at Bangalore, Mysore State (with plan of operation). Signed at New Delhi on 8 July 1971

Authentic text: English.

Registered by Denmark on 5 November 1971.

**DANEMARK
et
INDE**

Accord relatif à la création d'un Centre de formation technique et d'un Centre des services à Bangalore, État de Mysore (avec plan d'opération). Signé à New Delhi le 8 juillet 1971

Texte authentique : anglais.

Enregistré par le Danemark le 5 novembre 1971.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF DENMARK
AND THE GOVERNMENT OF INDIA ON THE ESTAB-
LISHMENT OF A TECHNICAL TRAINING CENTRE AND
A SERVICE CENTRE AT BANGALORE, MYSORE STATE

The Government of Denmark and the Government of India, being desirous of strengthening the friendly relations between the two countries and their populations, and recognizing their mutual interest in promoting their economic and technical development, particularly by providing means for education and training, have agreed as follows:

Article I

The objective of the technical and economic co-operation under this Agreement is to contribute to the development of small scale industries in India by establishing a Technical Training Centre for tool makers and a Service Centre at the Rajajinagar Industrial Estate, Bangalore, Mysore State.

Article II

The activities of the Training Centre and the Service Centre will be organised as follows:

The Training Centre will comprise two lines of training, one for press tools, jigs and fixtures, and one for moulds for plastics and metal. The training under each line is expected to be of a duration of four years. The Training Centre will receive an average of ten apprentices per year.

The Service Centre will employ an average of twenty to twenty-four tool makers. The production of the Centre will contribute on a commercial basis to the supply of tools for local industries, particularly small scale industries.

The Training Centre and the Service Centre will be placed under the administration of The Mysore Small Industries Corporation and supervised by the Indian Government authorities concerned.

Article III

The commitments of the Government of Denmark under this Agreement comprise:

¹ Came into force on 8 July 1971 by signature, in accordance with article XI.

- (a) provision for the Training Centre and the Service Centre of equipment up to a value of 7.15 million Danish Kroner. The imported equipment will be delivered c.i.f. nearest Indian port;
- (b) recruitment, payment of international travel expenses, salaries and insurance for five experts as follows:
 - one chief adviser,
 - one works manager,
 - one training manager,
 - two supervisors/designers.

The appointment of the experts shall be subject to the approval of the Indian authorities concerned. At the end of the third year of operation of the Training Centre, one of the supervisors will be withdrawn. At the end of the fourth year, the remaining supervisor, the training manager and the works manager, will be withdrawn. The chief adviser will be withdrawn at the end of the fifth year;

- (c) fellowships of a duration of one to three months, including travel expenses, for ten Indian citizens employed at the Training Centre and the Service Centre; The Mysore Small Industries Corporation will assure that the Indian beneficiaries of the above fellowships, after their return from training in Denmark, will serve at the Training Centre and the Service Centre for a suitable period.

Article IV

Delivery of the items mentioned under Article III and the sending out of the experts mentioned under the same article will take place in accordance with stipulations to be laid down in a Plan of Operation agreed upon by the two parties.

Article V

The commitments of the Government of India under this Agreement comprise:

- (a) procurement of suitable site and building with all installations for the Training Centre and the Service Centre, including air-conditioning in certain rooms, and all working expenses;
- (b) installation of machinery and equipment; and installation and mounting of machines and equipment will be carried out in co-operation with the Danish works manager;

(c) recruitment and payment of salaries for Indian staff members and personnel as follows:

- one director,
- one works manager,
- one training manager,
- three supervisors,
- six designers,
- four instructors,
- ten service employees,
- tool makers.

The director, the works manager, the training manager and two of the supervisors shall be appointed and available at the project by the time of arrival of goods and experts listed under Article III; the other members of staff and personnel will be recruited in accordance with the gradual completion of the project;

(d) payment of all other expenses required for the establishment and operation of the project which are not listed above and not mentioned under the commitments of the Government of Denmark.

Article VI

Procedures will be set up by the Government of India whereby import duties and other fiscal charges, if any, on all the equipment including spare parts and materials for the Training Centre and the Service Centre to be supplied by the Government of Denmark in pursuance of Article III is not payable by the Government of Denmark.

Article VII

The Government of India will provide suitable residences for the experts to be sent out in pursuance of Article III and accord them such privileges as are normally accorded to comparable experts at technical co-operation projects under the rules and regulations of the General Agreement between the Government of Denmark and the Government of India concerning Technical Co-operation of February 16, 1970.¹

Article VIII

The items provided by the Government of Denmark will become the property of the Government of India upon the completion of the project.

¹ United Nations, *Treaty Series*, vol. 745, p. 219.

Article IX

The Government of India will ensure that the equipment donated by the Government of Denmark, after the completion of the project, will continue to be used for the purpose for which it was intended.

Article X

During the period of validity of the Agreement, representatives of the authorities concerned of the two parties shall have free access to the Training Centre and the Service Centre. At the end of each year of the co-operation under the Agreement, a copy of the accounts and a copy of a report on the past year's activities shall be forwarded to the authorities concerned of the two parties by the Mysore Small Industries Corporation.

Two years after the entry into force and one year before the expiration of the Agreement, the authorities concerned of the two parties will nominate one representative each to undertake in common an inspection and an evaluation of the activities carried out under the Agreement.

Article XI

The present Agreement shall enter into force on the date of its signature and shall remain in force for a period of five years. The Agreement may be terminated at any time by either party giving six months' notice in writing to the other party.

The present Agreement may be amended by an exchange of letters between the two Governments.

IN WITNESS WHEREOF, the undersigned, duly authorised by their respective Governments, have signed this Agreement.

DONE in duplicate in English in New Delhi on this 8th day of July, 1971.

For the Government
of Denmark:
H. A. BIERING
Ambassador in India

For the Government
of India:
M. G. KAUL
Additional Secretary
Ministry of Finance

PLAN OF OPERATION

I. ESTABLISHMENT OF THE PROJECT

1. It is the aim of the two parties to take appropriate steps to start both the Training School and the Service Centre of the Project by 1st April, 1972. To fulfil this objective, the following time schedule has been agreed upon:

(a) *Building:*

Approval of architect's plans	August 1971
Completion of building	December 1971
Electric, power wiring and water installation ..	To be completed January 1972

(b) *Imported Equipment:*

Call for quotations	August 1971
D.G.T.D. clearance	August 1971
Installation	Commencing January 1972

(c) *Indigenous Equipment:*

Tender ordering	August 1971
Receipt and installation	December 1971 to March 1972

(d) *Foreign Experts:*

Danish Workshop Advisor and Advisor in Training to arrive	1st January 1972
Chief Advisor and Supervisors from Denmark to arrive	March 1972

(e) *Local Staff:*

Appointment of Director	October 1971
1 Works Manager, 1 Training Manager and 2 Supervisors/Designers	October 1971
One month's visit to Denmark for Director ..	October 1971
Training in Denmark of remaining 4 counterparts for 3 months	October/December 1971

(f) *Courses:*

First course to start	1st April 1972
Second course to start	1st April 1973
Third course to start	1st April 1974
Fourth course to start	1st April 1975

(g) *Service Centre:*

Raw materials to be ordered	December 1971
Raw materials to be received	No later than March 1972
Commencement of production	April 1972

2. Purchase and Delivery of Equipment:

(a) *Imported:*

The purchase and delivery of the imported equipment will be the responsibility of the Danish International Development Agency (DANIDA). As far as possible, all imports should be arranged via Madras Port, the shipping bill being addressed to Mysore Small Industries Corporation (MSIC). The goods should be insured up to Bangalore where also the Customs inspection will take place, if possible. It will be the responsibility of MSIC, immediately upon arrival of the goods, to inspect the equipment and report to the local agent of the insurance company as well as to DANIDA of any loss or damage to the equipment.

(b) *Indigenous:*

The quotations for indigenous equipment will be obtained by MSIC and forwarded to DANIDA via the Embassy. DANIDA will place orders directly with the following firms:

- | | |
|----------------------------|-----------------------------|
| a) Hindustan Machine Tools | } all situated in Bangalore |
| b) Praga | |
| c) Fritz Werner | |
| d) Godrej | |
| e) I.E.G., New Delhi | |

Payment for these orders will be made by DANIDA directly to the bank account of these firms.

For the remaining orders, all of small quantity, the purchases will be made by MSIC and subsequent payment will be made by DANIDA directly to MSIC on presentation of the bills.

It will be the responsibility of MSIC to store all the equipment safely in a closed building until the installation takes place in accordance with the above mentioned time schedule.

II. ESTABLISHMENT OF THE TRAINING SCHOOL

1. The detailed syllabus and curriculum of the Training School will be worked out by the two Danish Advisors and their Indian counterparts from January to March 1972.

2. The basis of the detailed syllabus will be the following plan:

<i>1st Year</i>	<i>Group A</i>	<i>Group B</i>
3 months	—————	Filing —————
3 months	—————	Drawing —————
3 months	Turning	Milling
3 months	Milling	Turning

	<i>Groupe A</i>	<i>Groupe B</i>
<i>2nd Year</i>		
3 months	Drawing, Study of materials, and heat treatment	
3 months	—————Grinding—————	
3 months	Turning	Milling
3 months	Milling	Turning
<i>3rd Year</i>		
12 months	Tool room work + Tool design	Tool room work + Mould design
<i>4th Year</i>		
11 months	Tool manufacture	Mould manufacture
1 month	Diploma test	Diploma test

3. The Training School will be open to qualified applicants from all parts of India.

4. During their training, the trainees will receive the following stipends:

- a) First year Rs. 60 per month,
- b) Second year Rs. 75 per month,
- c) Third year Rs. 85 per month,
- d) Fourth year Rs. 100 per month.

5. The candidates should have passed Matriculation, SSLC or 10th Standard to qualify for admission. The age limit will be 18 years.

6. Upon entering the School, the trainees will sign an agreement with MSIC in accordance with the usual practice.

7. The medium of instruction will be English.

8. The application and selection of Instructors in the Training School will take place in the months of August and September, 1971. The minimum qualifications of the applicants will be decided after mutual consultations between the two parties. A representative of DANIDA will take part in the interviews to be held in Bangalore.

9. The selection and interviews for the Danish Advisors will be held in Copenhagen in September/October 1971. The papers of the selected candidates will be forwarded to the Indian authorities for approval immediately afterwards.

III. ESTABLISHMENT OF THE SERVICE CENTRE

1. The service tool room should have about 40 toolmakers employed in the manufacture of small and medium-size tools such as press-tools, jigs and fixtures, moulds for plastic and metal casting, and special-purpose tools.

2. The service tool room should primarily devote its production capacity to small-scale industrial firms throughout India. Only in exceptional cases should it directly serve large industrial companies, and then only if its capacity at some stage is not fully utilised, or if it is required to manufacture special-purpose tools that cannot be made elsewhere.

3. The MSIC, as the agent of the Government of Mysore, will function as the sales organisation, receive orders and take care of all sales. The Corporation should charge normal market prices for its products.

4. The profits from the sale will be utilised by MSIC for the running of the Training School. Funds should be provided for depreciation on the equipment as well as for new investments.

IV. ADMINISTRATION

1. The Director will be in charge of the day-to-day management and administration of the Project. In all technical matters he will consult the Chief Advisor.

2. The Director and the Chief Advisor will be under the general control of a Project Committee consisting of —

- (a) the Director of Small Industries, Government of Mysore (Convenor),
- (b) A representative of the Central Government,
- (c) A representative of MSIC Board, and
- (d) A representative of the Danish Embassy.

3. The Project Committee shall meet at least once every three months to consider the Working Plan, the programme and progress of operation of the Project. The Director of the Project and the Chief Advisor must normally be present at all its meetings so as to assist the Committee in its deliberations.

4. In the discharge of his duties, the Chief Advisor will advise the Project Director in all matters related to the technical development of the Project and will assist the Government of India, in consultation with the Project Director, in —

- (a) Detailed planning, execution of the project, and the preparation of technical reports,
- (b) timely scheduling and submission of requests for items to be provided by the Government of Denmark,

- (c) supervision of the Danish staff assigned to the project,
 (d) advising the Project Director on the proper utilisation of equipment and materials supplied by the Government of Denmark.

V. BUDGET

1. The contribution of the Government of Denmark will be as follows:

Equipment for Service Centre	Kr. 46.0 lakhs
Equipment for Training School	Kr. 19.0 lakhs
Freight and insurance	Kr. 6.5 lakhs
	<u>Kr. 71.5 lakhs</u>

Besides, Denmark will provide the services of 5 Danish experts in accordance with the Agreement, as well as fellowship for 10 Indian trainees.

2. The contribution of the Government of India through MSIC will be as follows:

	<i>Recurring (Rs.)</i>	<i>Non- recurring (Rs.)</i>	<i>Total (Rs.)</i>
Value of land	—	1,10,000	1,10,000
Building costs	—	11,00,000	11,00,000
<i>Other expenditure:</i>			
October 1971/March 1973 ..	6,99,000	—	6,99,000
April 1973/March 1974	4,99,000	—	4,99,000
April 1974/March 1975	5,84,000	—	5,84,000
April 1975/March 1976	7,21,000	—	7,21,000
April 1976/March 1977	7,37,000	—	7,37,000
			<u>44,50,000</u>