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PART I—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
as a separate compilation.

MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 16th March 1968

SUBJECT.—*Conditions for licensing of Private Sector Imports under the Seventh Yen Credit (Non-Project Aid).*

No. 42-ITC(PN)/68.—The conditions governing the issuance of import licences for Private Sector Imports under the Seventh (7th) Yen Credit (Non-Project Aid) from Japan as given in Appendix to this Public Notice are notified for the information of the trade.

APPENDIX

Conditions for Licensing of Private Sector Imports under the Seventh Yen Credit (Non-Project Aid)

1. The import licence will be issued with an initial validity period of six months.

2. Firm orders must be placed on the Japanese Suppliers within 3 months of issue of the licence. If necessary, the licence may be presented for revalidation for ordering giving reasons why orders could not be placed within three months. The

request will be considered on merits and if accepted, the licence will be revalidated for ordering for further period of three months. Further revalidation will be considered only if orders have been placed.

3. The contract may be on C&F or C.I.F. basis. It should clearly indicate the value of the goods in YEN currency. The contract has to be approved by the Government of India and the Government of Japan for financing under the 7th Yen Credit.

4. Only one contract should be entered into against the full value of the import licence, and a single L/C has to be opened for the full amount of the contract. In exceptional cases, prior approval of the Department of Economic Affairs should be obtained.

5. The contract should provide for payment on cash basis, i.e., on presentation of shipping documents. No payments can be permitted after the 31st March, 1970.

6. Three copies of the contract between the Indian importer and the Japanese suppliers, signed by both the parties, should be forwarded to the Ministry of Finance, Department of Economic Affairs (AE-I Section, North Block, Central Secretariat, New Delhi) alongwith a statement (in triplicate) containing the following information for obtaining the approval of the Export-Import Bank of Japan to the Contract:

- (i) Name and address of the Indian Importer.
- (ii) Name and address of the Japanese Suppliers.
- (iii) Name and address of the suppliers bank in Japan and Importers, Bank of India.
- (iv) Value of the contract in Japanese Yen and Indian rupees
- (v) Short description of the goods to be imported.
- (vi) A schedule indicating the probable dates and amounts of payments to be made to the supplier under the contract. The presumptions on which the schedule is based may also be indicated

7. The special clauses mentioned in the Annexure-I should be incorporated in the contracts.

8. As soon as the approval of the EXIM Bank to the financing of the contract under the Yen Credit arrangement is received, the importer will be advised to furnish a bank guarantee in the form prescribed as at Annexure-II to the Ministry of Finance Department of Economic Affairs (AE-I Section, North Block) New Delhi to enable them to permit the opening of an irrevocable letter of credit on the Japanese Bank.

9. If the bank guarantee is found in order, the Indian Bank furnishing the bank guarantee will be authorised to open a letter of credit as in Annexure III. *No foreign exchange remittance from India will be permitted under this Licence.* The letter of credit would provide for payments to the suppliers or their bankers, by the specified Japanese Bank against the 7th Yen Credit.

10. The Bank opening the letter of credit will advise its particulars to:—

- (i) The Ministry of Finance, Department of Economic Affairs (AE-I) Section Room No. 180, North Block, New Delhi; and
- (ii) The Counsellor (Economic) Embassy of India, Tokyo (Japan).

11. As and when payments are made against this licence the Importers (or their bankers) will have to deposit the rupee equivalents of Yen Amounts paid alongwith other amounts as indicated below:—

- (i) Rupee equivalent of the Yen payment to the suppliers, or their bank in Japan, by applying the composite rate of conversion of one Yen equal to Rs 0.0213. (*Any change in this rate will be intimated if and when made*).
- (ii) Interest at 6 per cent per annum for the period between the date of payment to the supplier or bank in Japan and the actual date of deposit of the rupee equivalent for credit to the Government account (*Any change in this rate will be intimated if and when made*).

12. The amount specified in condition 10 above shall be deposited with the State Bank of India, Delhi or the Reserve Bank of India, New Delhi, or remitted by means of demand draft in the names of the A.G.C.R., New Delhi and drawn on the State Bank of India, Delhi, for credit to the Central Government account "T-Deposits and

Advances—Part II Deposits not bearing interest—Civil Deposits—Deposits for purchases abroad under direct payment procedure under foreign loans/credits under the detailed head “Deposits for cost of equipment, etc., obtained under the 7th Yen Credit from Japan.” The demand draft mentioned above should be forwarded to the A.G.C.R., New Delhi under intimation to the Senior Accounts Officer, Ministry of Finance, Department of Economic Affairs, Jeevan Deep Building, Parliament Street, New Delhi.

13. On completion of the payments against the letter of credit and deposit of rupee equivalents against the Bank guarantee, a report giving particulars of payments deposits will be made to the Senior Accounts Officer, Ministry of Finance, Department of Economic Affairs, Jeevan Deep Building, Parliament Street, New Delhi, requesting for release of the Bank guarantee.

Special Clauses to be Incorporated in the Private Sector Contracts to be Financed Under the 7th Yen Credit (Non-Project Aid)

(a) This export/import contract is arranged in accordance with the Loan Agreement dated the 5th September, 1967, concerning the 7th Yen Credit (Non-Project Aid) to India.

(b) This export/import contract shall become effective upon the approval of the Government of India and Government of Japan.

(c) Payments in Yen under this contract to the exporter will be made under a confirmed irrevocable letter of credit opened in the form attached on a Japanese Bank designated for the purpose through the Importers' Bank in India.

(d) The exporter hereby agrees to furnish such information and documents as required under the Yen Credit arrangement by the Government of India and the Japanese participating Banks.

(e) The exporter hereby agrees to furnish a report to the Embassy of India, Tokyo, immediately after shipment of the shipping arrangements alongwith one copy of the invoice and one copy of the Bill of Landing.

ANNEXURE II

To

The President of India,

In consideration of the President of India herein-after called the Government') having agreed to arrange for payment in Yens for the Import of by (hereinafter called the 'Importer') under the terms and conditions of 6th Yen Credit (non-Project Aid) we Bank Ltd., at the request of the importer hereby undertake to arrange to deposit the amounts of the disbursements made by the Japanese Bank converted at the rate of 1 Yen—Rs. 0.0213 or the rate of conversion indicated for the purpose at the time of deposit within ten days of the receipt of advice of payments for credit to the Government account in the manner and against the appropriate Heads of Account as indicated by Government of India under the said credit together with interest thereon at the rate of 6 per cent per annum until further notice from the date of payment to the Japanese supplier to the date of payment of Rupee equivalent for credit to the Government Account. The negotiable set of import documents received from the Japanese Bank will be released to the Importer only after the rupee deposit contemplated above have been made.

2 We the Bank Ltd., also undertake to indemnify and keep indemnified to the Government against any default in payment by the importer of any sum that may be due and payable from time to time by the importer to the Government at such place and in such manner as the Government may from time to time direct, such sums, not exceeding Rs., or any part thereof, for the time being due and payable by the importer, together with interest at the rate of interest mentioned in preceding paragraph from the date of payment to the Japanese supplier out of the 6th Yen Credit. The decision of the Government as to any default in the said payment by the importer, or on his part and in regard to the amount payable to the Government of by us Bank Ltd., shall be final and binding on us Bank Ltd.

3. We.....Bank Ltd., further agree that in case of increase in the value of imports or increase in the value of unfulfilled deliveries under the contract as a result of change in IMF parity rate of exchange, the amount of this guarantee bond will be adjusted as on the date when the change takes place, in proportion to this change.

4. We.....Bank Ltd., further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement/contract and that it shall continue to be enforceable till all the dues to the Government under, or by virtue of this guarantee have been fully paid and its claims satisfied or discharged.

5. The guarantee herein contained shall not be affected by any change in the constitution of the importer or the.....Bank Ltd., and the Government shall have the fullest liberty without affecting the guarantee to postpone for any time and from time to time any of the powers exercisable by it against the importer and either to enforce payment by the importer of any of the amounts the payment whereof is intended to be hereby secured and the.....Bank Ltd., shall not be released from its liability under this guarantee by any exercise of the Government of the liberty with reference to the matters aforesaid or by reason of time being given to the Importer or any other forbearance, act or commission on the part of the Government or any indulgence by the Government to the Importer or by any other matter or thing whatsoever which under the law relating to sureties shall, but for this provision have the effect of so releasing the.....Bank Ltd., from its such liability.

6. We.....Bank Ltd., lastly undertake not to revoke, this guarantee during its currency except with previous consent of the Government, in writing.

7. Our liability under this bond/guarantee is restricted to Rs..... (plus interest and commission charges, if any) and this guarantee shall remain in force till** day of Unless claims under this bond/guarantee are made in writing within six months of this date and unless suit or action to enforce these claims is commenced within another six months thereafter i.e., upto..... all Government's rights under this bond/guarantee shall be forfeited and we shall be relieved and discharged from all liability thereunder.

Dated the... ..day of.....19

for.....Bank Ltd

Accepted for and on behalf of
the President of India by

Shri....

(Name & Designation)

Signature.

Signature.

**This date shall be arrived at by adding six months to the date by which all payments to the supplier are expected to be finalised.

NOTE.—The value of the stamped paper on which this guarantee is to be executed is to be adjudicated by the Collector of Stamps.

ANNEXURE III

(Name of issuing Bank in India)

To

(Designated Japanese Bank)

This letter of credit has been issued pursuant to Article V of the Loan Agreement dated September 5, 1967 concerning the 7th Yen Credit (Non-Project Aid) to India and in accordance with the Notice of Approval No issued by the Export-Import Bank of Japan.

Dear Sirs,

We request you to advise.....that we have opened our Irrevocable Credit No. in their favour for account of for a sum or sums not exceeding a total of available by beneficiary's draft(s) at sight for.....per cent invoice value drawn on your (Designated Japanese Bank), covering shipment from.....to.....of.....to be accompanied by the following documents:

.....
.....
.....

All documents must indicate import licence No....and the Export-Import Bank of Japan Notice of Approval No..... partial shipments are permitted/not permitted. Trans-shipment is permitted/not permitted. Shipment must be effected not later than Draft must be presented to the drawee not later than

All drafts drawn hereunder must be marked "Drawn under"..... Irrevocable Credit No. dated.....

We hereby undertake that all drafts drawn under and in compliance with the terms of the credit shall be duly honoured on due presentation and delivery of documents to the drawee.

All negotiable documents must be airmailed directly to us by your Bank.
Special Instructions:

1. This letter of Credit does not become available unless the issuance of letter of Undertaking as provided for in Article V of the Loan Agreement dated 5th September, 1967, concerning the 7th Yen Credit (Non-Project Aid) is confirmed and certified by you to that effect on the face of your advice of this credit to the beneficiary.

2. Simultaneously with the payment of draft(s) under this letter of Credit, reimbursement shall be obtained by you in accordance with Article V of the said Loan Agreement.

3. All banking charges in connection with this Letter of Credit are to be paid by us.

4. The terminal date for making payments under this Letter of Credit will be

Yours faithfully,

NOTE.—The issuing Bank in India should notify the Department of Economic Affairs (AE-I Section) of the opening of the Letter of Credit, with a copy of the Letter of Credit opened.

P. D. KASBEKAR,
Chief Controller of Imports & Exports.

