IMPORT RESTRICTIONS OF INDIA

Notification of Modifications

By letter dated 18 July 1957, the Indian Government has transmitted the text of two Public Notices issued by the Ministry of Commerce and Industry describing certain modifications introduced in its import restrictions, effective from 1 July 1957. These are circulated to the contracting parties in accordance with the intersessional procedures.

PUBLIC NOTICE NO.41-I.T.C.(P.N.)/57, DATED 29 JUNE 1957

Subject: Open General Licences Nos. XLIV and XLV - Items removed from

1. Open General Licences Nos. XLIV and XLV, dated 29 September 1956 will lapse on 30 June 1957. It has been decided not to replace these licences with fresh Open General Licences. Consignments of items covered by these expiring Open General Licences shipped on or before 30 June 1957 will be allowed clearance in the usual manner.

2. In respect of items which were covered by Open General Licences Nos. XLIV and XLV, dated 29 September 1956, Importers are requested to establish their quotas with the licensing authorities concerned as early as possible. The last date for receipt of applications for establishment of quotas for these items (or re-establishment of quotas in the case of smaller items covered by composite serial numbers) will be 31 July 1957 and the basic period will be any one financial year from 1952-53 to 1955-56. Unless otherwise specified, the quotas for such of these items which are not included in the list of items admissible for Actual User licensing (vide Appendix I) will be announced immediately after the importers have established quotas.

3. With a view to ensuring a steady inflow of raw materials for essential industries, the port authorities will consider applications from Established Importers whose applications for establishment of quotas have been received, for grant of ad hoc licences to meet immediate requirements of items enumerated in Appendix IX. This facility will enable Established Importers to place orders and to negotiate for shipments. When applying for any such ad hoc licences, applicants should indicate the value of imports effected by them during 1954-55, 1955-56, 1956-57 and up to date during 1957-58. They should also indicate the stocks available with them and the anticipated arrivals. Applications for grant of ad hoc licences for imports of books will be given special consideration. The last date for receipt of such applications will be 14 August 1957, and the licences where granted will have six months' validity.
4. Applications both from Scheduled Industries as well as from other Actual Users in respect of items detailed in Appendix I will also be considered. The Actual Users should furnish the following additional information:

(i) Stocks in hand on the date of application;

(ii) Expected arrivals against orders already placed;

(iii) Detailed justification for grant of licences and reasons why licensing should not be postponed to the licensing period 1 October 1957 to 31 March 1958; and

(iv) Actual imports in their own name of items under Open General Licence during 1954-55 and 1955-56. Documentary evidence to be furnished.

The last date for receipt of such applications will be 31 August 1957. Licences where granted will have six months' validity.

B. PUBLIC NOTICE No. 42-I.T.C.(P.N.)/57, DATED 29 JUNE 1957

Subject: Import licensing Policy for the Quarter July-September 1957

1. The Government of India have decided to modify the current practice of using the calendar year as the basis for formulating and announcing their half-yearly import control licensing policies. In future, the import control licensing policy will be related to the financial year and the two licensing periods will run from 1 October to 31 March and 1 April to 30 September. This decision will help to bring about better correlation between foreign exchange control and allied fiscal and import control procedures.

2. The normal time schedule for the announcement of licensing policies has consequently been revised. The detailed licensing policy for the period 1 October 1957 to 31 March 1958 will now be announced towards the end of September 1957. It is considered that having regard to the large number and substantial value of the licences outstanding for the import of plant and machinery, metals and such other essential items, this change in the schedule of announcement of import policy will not cause undue difficulty or shortages. It is also hoped that the intervening quarter will make it easier to obtain a clearer picture regarding the foreign exchange resources likely to be available to sustain imports during the new licensing period from October 1957 to March 1958. Meanwhile, it has been decided to give certain facilities to the holders of unutilized or partially-utilized licences to plan their purchases and to choose their imports to the best advantage of the country and the consumer. These facilities are:

(a) The period of validity of all the valid quota licences with six months' validity period, granted in respect of the licensing period January-June 1957, may be extended up to three months from the date they are due to expire without any enhancement or alteration in value of quantity licenced. Licence holders wishing to avail themselves of this concession are advised to apply to the licence issuing authority together with reasons in support of their applications.
(b) The licence-holders will be free to apply to the licensing authority which issued the licence for validating it, without alteration of value/quantity, for the import of goods falling under any other serial number of the Import Trade Control Schedule and such validation will be granted, provided the goods sought to be imported are adjudged to be more essential to the economy of the country. Licence-holders are requested to furnish full particulars of the other commodity sought to be imported so as to satisfy the licensing authority about its "essentiality" to the country's economy. Imports against any such validation will not qualify for future quotas and the licences thus validated will, therefore, be marked "NQQ" to the extent necessary.

(c) Licences for the import of machinery will on application to the licensing authority which issued the licence, be validated for the import of spare parts thereof without alteration in the value of the licence. Applications should be accompanied with lists of spares sought to be imported along with a justification in support of the request.

3. Government are keen to ensure that industrial production is maintained at as high a level as practicable and that no shortages develop in any essential commodity needed to sustain industrial production. The following provisions have been made for the intervening quarter ending 30 September 1957:

(a) Applications for actual user licences from scheduled industries borne on the books of the Development Wing for the import of essential items of raw materials required by them may be made in the prescribed form and manner to the Chief Controller of Imports and Exports, New Delhi, by 31 August 1957. These applications should be routed through the Development Wing and licences will be granted for essential items for reasonable values in respect of three month's requirements. Licences where granted will be allowed the normal period of validity.

(b) Applications from other actual users will also be entertained by other licensing authorities in respect of items listed in Appendix II. Applications may be made in the prescribed form and manner to the licensing authorities concerned, by 31 August 1957, furnishing complete data in respect of essential requirements. Import of commodities which are locally available or are required merely for embellishment will not be permitted and actual users will be expected to make every effort to ensure maximum economy and to resort to maximum improvisation. Licences will be granted only for essential items and for minimum requirements and such licences will be allowed the period of validity as prescribed in the January-June 1957 Red Book. The actual users should also furnish the following information:
(i) Stocks in hand on the date of application;

(ii) Licences in hand on the date of application;

(iii) Expected arrivals against orders already placed;

(iv) Detailed justification for grant of licences and reasons why licensing should not be postponed to the licensing period 1 October 1957 to 31 March 1958;

(v) Average imports of these items against licences granted during (a) July-December 1955, (b) January-June 1956; and (c) July-December 1956. Documentary evidence to be furnished.

c) Applications will also be entertained on an ad hoc basis by the C.C.I., New Delhi from:

(i) Large scale Actual Users for the import of essential spares and replacements;

(ii) Manufacturers' sole selling agents who are able to prove that they have larger orders on hand for spares for servicing machinery imported by or through them and who are not able to cope with these orders ex-stock or against licences in hand.

(d) The provisions for licensing spares made in Public Notice No.13-I.T.C. (P.N.)/57, dated 21 February 1957 (reproduced in Appendix III) will continue to be operative.

(e) The procedure for the grant of licences in respect of items removed from the Open General Licences has been set out in Public Notice No.41-I.T.C.(P.N.)/57, dated 29 June 1957.

(f) The policy and procedure for grant of licences in respect of the following items have been indicated in the Appendices mentioned against each:

(i) C.G./H.E.P. Appendix IV

(ii) Machine Tools Appendix V

(iii) Export Promotion items Appendix VI.

(g) A small foreign exchange ceiling has been set aside for Actual User requirements of small scale industries. Actual User applications from small scale industries for import of essential raw materials, machinery and components will be considered ad hoc. To assist such industries, the form of essentiality certificate has been simplified
and has been reproduced in Appendix VII. Actual User applications in the prescribed form and manner duly supported by an Essentiality Certificate from the Director of Industries or the Development Commissioner, Small Scale Industries or his authorised representative, as the case may be, may be made to the licensing authorities at the ports.

(h) The procedure in respect of "Appeals" has been slightly revised and the relevant paragraphs in substitution of paragraphs 73-77 of Section I of the Red Book has been incorporated in Appendix VIII.

4. The rules and procedural provisions set out in sub-sections (A), (B), (C), (I), (M), (N), (O), and (P) of Section I of the Import Trade Control Policy Book for the licensing period January-June, 1957, to the extent to which they are consistent with this Public Notice, will continue to remain in force.

Note: The appendices referred to in the text are on file at the secretariat. Copies of the "red book" (No. CD. 264) containing these lists as well as the public notices may also be obtained from the Indian Government.