

January 10, 2006

To,
All Banks Authorised to Deal in Foreign Exchange

Madam / Sir,

Export of Goods and Services - Liberalisation - GR Approval for export

Attention of Authorised Dealer (AD) banks is invited to A.P. (DIR Series) Circular No.30 dated March 26, 2002 in terms of which AD banks have been delegated powers to approve GR form for export of items for display or display-cum-sale in trade fairs / exhibitions outside India subject to the conditions specified therein.

2. With a view to further liberalise the facilities available to exporters and simplify the procedure for export, it has been decided to delegate powers to AD banks for grant of GR approval in cases where goods are being exported for re-import after repairs / maintenance / testing / calibration, etc. Accordingly, AD banks may, henceforth, consider grant of GR approval, in cases where goods are being exported for repairs, maintenance, calibration, testing etc. and subsequently re-imported after necessary repairs / maintenance / calibration / testing, etc. subject to the condition that the exporter shall produce relative Bill of Entry within one month of re-import of the exported item from India.

3. It is clarified that in cases where the goods being exported for testing are destroyed during testing, AD banks may obtain a certificate issued by the testing agency that the goods have been destroyed during testing, in lieu of Bill of Entry for import.

4. AD banks may bring the contents of this circular to the notice of their constituents concerned.

5. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(Vinay Bajjal)
Chief General Manager