Reply to Client’s Mail dt. 01.04.2024 - 03:57:21 P.M.

###### **BY E-MAIL**

#### File No.271/2022 (General)

06.04.2024

M/s. Konica Minolta Business Solutions India Pvt. Ltd.

Attn.: Mr. Arun Kumar Ghosh <arun.kgsh@gmail.com>

C.C.: <abhinav.thakur@konicaminolta.com> / <reji.bhaskaran@konicaminolta.com>

<bhumika.dhar@konicaminolta.com>

Dear Mr. Arun,

1. Please refer to your trailing mail sent on 01.04.2024. It is stated that the company is exporting printers/accessories/parts and consumables to Maldives from India and that the goods supplied are covered by a warranty clause for one year. In the above context, you wanted to know the process for replacing the spare parts/consumables/machines/ accessories, if they are found dead on arrival or to be replaced during the warranty period. It is confirmed that in respect of such replacement of items, no foreign exchange will be received from the buyers.

2. In this connection, your attention is invited to para 2.49 of the current Foreign Trade Policy which permits export of warranty spares of plant/equipment/machinery or any other goods except those restricted under ITC (HS) along with the main equipment or subsequently, but within the contracted warranty period of such goods, subject to RBI approval.

3. Therefore, in the above context, warrants parts/equipment can be supplied within the warranty period provided in the contract and subject to the condition that they are not restricted under the ITC (HS) policy for export.

4. The Master Direction relating to export of goods and services bearing No.16/2015-16 dated 01.01.2016, as amended, under para B.1 states that exports of goods not involving any foreign exchange transactions directly or indirectly can be made subject to grant of waiver of EDF procedure from the Reserve Bank.

5. Thus, for export of such spares/warranty items, the company needs to approach the foreign exchange dealer with a request through its bank to RBI for grant of waiver of EDF procedure for such exports. Such waiver is required for each consignment sought to be exported and while seeking waiver through the bank, necessary supporting documents to establish that these are warranty spares/equipment need to be provided.

6. Or in other words, subject to grant of waiver of foreign exchange realisation for each shipment, goods can be supplied without involving foreign exchange during the warranty period.

Regards,

Murugappan

sm/ss

**Disclaimer:-** The above opinion is provided based on the information and documents made available to us by the queriest and further based on the laws and rules prevalent as on date and the understanding of such provisions by the author and is meant for the private use of the person to whom it is provided without assuming any liability for any consequential action taken based on the views expressed here.