

**“Write off” of unrealised export bills –
Simplification of procedure
A.P.(DIR Series) Circular No. 30 (April 4 , 2001)**

**RESERVE BANK OF INDIA
EXCHANGE CONTROL DEPARTMENT
CENTRAL OFFICE
MUMBAI 400 001.**

A.P.(DIR Series) Circular No. 30

April 4 , 2001

To

All Authorised Dealers in Foreign Exchange

Dear Sirs,

**“Write off” of unrealised export bills –
Simplification of procedure**

Attention of authorised dealers is invited to paragraph C.18 of AP(DIR Series) Circular No.12 dated September 9, 2000 in terms of which they have been permitted to allow `write off’ of unrealised export dues, under certain conditions, upto an aggregate amount of 10 per cent of the total export proceeds realised by the exporter through the concerned authorised dealer during the previous calendar year.

2. With a view to simplify the procedure the matter has been reviewed and it has been decided that status holders exporters, (viz. Export Houses, Trading Houses, Star Trading Houses, Super Star Trading Houses) and manufacturer exporters exporting more than 50 per cent of their production, and recognised as such by DGFT, may be permitted to “write off” outstanding export bills upto an annual limit of 5 per cent of their average annual realisations (not turnover) during the preceding 3 calendar years. The limit of 5% will be cumulatively available in a year and will be subject to the following conditions:-

- (i) The exporter should submit to the concerned authorised dealer a Chartered Accountant’s certificate indicating –
- (a) the export realisation in the preceding three calendar years and also the amount of “write off” already availed of during the year, if any.
 - (b) the relevant GR/SDF Nos. to be written off, Bill No., invoice value, commodity exported, country of export,
 - (c) the export benefits, if any, availed of by the exporter have been surrendered.
- 3.** It is clarified that the followings do not qualify for the “write off” facility :-
- (a) Exports made to countries with externalisation problem i.e. where the overseas buyer has deposited the value of export in local currency but the amount has not been allowed to be repatriated by the central banking authorities of the country.

(b) GR/SDF forms which are under investigation by agencies like, Enforcement Directorate, Directorate of Revenue Intelligence, Central Bureau of Investigation, etc. as also the outstanding bills which are subject matter of civil/criminal suit.

4. After the "write off" has been permitted authorised dealer may submit the duplicate GR/SDF forms in question to the Reserve Bank along with R-Return, duly certified as under:-

" Write off of
(Amount in words and figures) permitted in
terms of AP(DIR Series) Circular No 30 dated April 4, 2001.

Date

Stamp & Signature of
Authorised Dealer"

5. Authorised dealers may note to take into account the amount written off under this facility while arriving at the eligible amount under paragraph C.18 of AP (DIR Series) Circular No. 12 of September 9, 2000.

6. Authorised dealers may forward a statement in form EBW, in the enclosed format, to the Regional Office of Reserve Bank under whose jurisdiction they are functioning, indicating details of write offs allowed under this circular.

7. Authorised dealers may bring the contents of the circular to the notice of their constituents concerned.

8. The directions in this circular has been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999). Any contravention or non-observance of these directions is subject to the penalties prescribed under the Act.

Yours faithfully,
K.J. UDESHI
Chief General Manager