

**“Write-off” of unrealised export bills-Surrender of export incentives
A.P.(DIR Series) Circular No.61(December 14, 2002)**

**Reserve Bank of India
Exchange Control Department
Central Office
Mumbai-400 001**

December 14, 2002

A.P.(DIR Series) Circular No.61

To
All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**“Write-off” of unrealised export bills-
Surrender of export incentives**

Attention of authorised dealers is invited to paragraph C.18 of A.P (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 and A.P. (DIR Series) Circular No.30 dated April 4, 2001 in terms of which authorised dealers have been granted powers to permit “write-off” annually upto 5% of average annual realisation to status holder exporters subject to certain conditions.

2. While permitting “write-off” one of the conditions specified is that the export benefits, if any, availed of by the exporter are surrendered. It has, however, been brought to our notice that there were instances where exporters had not surrendered export incentives in respect of export bills for which “write-offs” were permitted by their bankers.

3. With a view to ensuring that exporters invariably surrender the export incentives in respect of export bills for which they seek “write-off”, authorised dealers should obtain document/s evidencing surrender of export incentives availed of **before** permitting “write-off” for the relevant outstanding bills.

4. The authorised dealers are advised to put in a place a system under which their internal inspectors or auditors (including external auditors appointed by authorised dealers) should carry out random sample check/percentage check of “write-off” outstanding export bills.

5. The authorised dealers may please note that the terms and conditions stipulated in the circulars referred to above remain unchanged.

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

7. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the FEMA, 1999 (42 of 1999).

Yours faithfully,
Grace Koshie
Chief General Manager