

Sri Ajay Bhadoo, IAS

Additional Secretary & Director General of Foreign Trade
Directorate General of Foreign Trade
Vanijya Bhavan
New Delhi

Dear Sir,

Sub: Clarification on Non-requirement of e-BRC for INR Payments under Deemed Exports

Greetings from the Bulk Drug Manufacturers Association of India (BDMAI).

At the outset, we express our sincere thanks for the positive consideration given to the issues of the industry brought to your kind notice from time to time. In this regard, the recent clarifications issued by Policy Division-6 on Deemed Exports, in response to our representation, have been of immense help to the industry.

On the same subject of Deemed Exports, we would like to bring to your attention a practical difficulty being faced by our member companies at the field level.

As per the recent clarification issued by Policy Division-6, Deemed Exports are domestic supplies and do not involve any physical exports or foreign exchange realisation. Further, payments received in INR are permissible in terms of Para 7.01(i) of the Foreign Trade Policy. However, it is learnt that at the field level, applicants are being asked to submit e-BRCs even for payments received in INR, in a separate format devised at the Divisional level.

In this connection, we wish to submit that banks do not issue e-BRCs for INR transactions, as the banking system generates e-BRCs only for foreign exchange realisations linked to shipping bills. Banks also do not have the necessary software or core banking functionality to generate e-BRCs for INR receipts.

In view of the above genuine difficulty being faced by the industry, we humbly request that necessary directions may kindly be issued to all concerned divisions clarifying that, in the case of Deemed Exports, e-BRC shall not be insisted upon where payments are received in INR, and that a bank certificate evidencing receipt of consideration against the relevant invoice may be accepted as sufficient compliance.

We shall be grateful for your kind consideration and necessary intervention in this matter.

Thanking you,
Yours sincerely,


M Roja Rani
Executive Director

