



Dr. Ranjeet Mehta
CEO & Secretary General

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To
Shri Sanjay Malhotra
Governor
Reserve Bank of India
18th Floor, Central Office Building
Shahid Bhagat Singh Road
Mumbai-400 001

Dear **Shri Sanjay Malhotra Ji**,

Greetings from PHDCCI!

Subject- Issues faced by exporters in their dealings with Banks, RBI, and DGFT

PHD Chamber of Commerce and Industry (PHDCCI) has been working as a catalyst for the promotion of Indian industry, trade and entrepreneurship for the past 119 years. It is a forward looking, proactive and dynamic PAN-India apex organization. As a partner in progress with industry and government, PHDCCI works at the grass roots level with strong national and international linkages for propelling progress, harmony and integrated development of the Indian economy. PHDCCI, acting as the "Voice of Industry & Trade" reaching out to more than 1, 50,000 large, medium and small industries, has forged ahead leveraging its legacy with the industry knowledge across multiple sectors to take Indian Economy to the next level. At the global level, we have been working with the Embassies and High Commissions in India and overseas to bring in the International Best Practices and Business Opportunities.

PHD Chamber appreciates the efforts and proactive policies undertaken by the Government to boost the exports of the Indian economy. These steps have helped the industry and exporters on international trade developments and facilitated creating a vibrant atmosphere for Indian industry.

At this juncture, we wish to bring to your kind attention the captioned issued faced by exporters in their dealings with banks, RBI and DGFT.

1. Remittance by Proprietor/Partner's Account and Company Account

In developing countries with underdeveloped banking systems, buyers often make payments in different currencies via personal or partner accounts, which Indian banks do not recognize. This creates complications in account reconciliation and closure, becoming a significant problem for consignors.

2. Transactions Involving War Zone Countries

In countries where banking systems have been non-functional for over a decade due to war, buyers route payments through neighbouring countries like UAE or Jordan. However, banks often refuse to issue the Bank Realization Certificate (BRC) in such cases, leaving these matters unresolved.

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3. Short Payments Received from Buyers

When buyers send payments, transfer charges deducted by banks often lead to discrepancies between the shipping bill amount and payment receipt. Even minor differences of \$10–\$100 result in customs notices, requiring exporters to submit extensive documentation, incurring additional costs and time.

4. Sample Invoices

Exporting samples, often free of cost or of negligible value, usually incurs significant courier charges. Banks and authorities frequently misclassify these transactions, leading to unnecessary procedural delays despite their non-commercial nature.

5. Lost/Damaged/Rejected Goods and Write-Off Cases

Exporters suffer significant financial losses due to sudden regulatory changes, bans, or government restrictions.

Example: During the first lockdown, hand sanitizer exports were banned twice. Later, exports were allowed but without pumps, leading to logistical challenges, additional costs, and financial losses for exporters who could not honor confirmed orders. Such policy fluctuations place undue financial burdens on exporters.

6. Delay in Issuing BRC and Data Upload on DGFT/RBI Websites

Despite timely submission of required documents, banks frequently delay uploading BRC data on DGFT and RBI portals, causing exporters to incur penalties for no fault of their own.

7. General Practices of Banks

Many private banks operate centralized systems that are overburdened. This results in a focus on recent cases, while older cases remain unresolved. The delays lead to exporters breaching prescribed time limits, often incurring penalties.

It is therefore requested that appropriate steps/clarification may be issued for addressing exporter and importers so that the smooth functioning of export operations.

We trust our suggestions will be favourably considered for the benefit of trade and industry.

Thanking you!

Yours sincerely,



(Dr. Ranjeet Mehta)
CEO & Secretary General

PHD CHAMBER OF COMMERCE AND INDUSTRY
"Voice of Industry & Trade"

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