ABHYUDAYA CO-OPERATIVE BANK LTD.

FOREX (EXPORT & IMPORT) POLICY

Policy & Standard Operating Procedure (SOP)

Effective from 01 October 2026

Document Control	Details
Policy Owner	Foreign Exchange / Trade Finance Department
Applicability	All branches / offices / departments handling export, import and Merchanting Trade Transactions (MTT)
Regulatory Basis	FEMA 1999; FEMA (Export and Import of Goods and Services) Regulations, 2026; applicable RBI Directions / Master Directions / circulars; DGFT Foreign Trade Policy; other applicable laws and regulations
Review Frequency	At least annually and immediately upon material change in RBI / FEMA / DGFT / other applicable requirements
Version	1.0 (2026-27 – Revised Policy 1)

CONTENTS

1. PREAMBLE, OBJECTIVE AND SCOPE

The Bank, being an Authorised Dealer Category-I, shall conduct export, import and Merchanting Trade Transactions in accordance with FEMA 1999, regulations framed thereunder, RBI directions, the Foreign Trade Policy and other applicable laws. This Policy integrates the Bank's existing operational and export/import finance framework with the FEMA (Export and Import of Goods and Services) Regulations, 2026, which come into force from 01 October 2026.

The objective is to establish a comprehensive, documented and risk-sensitive framework covering transaction processing, documentation, timelines, approvals, EDPMS/IDPMS reporting, monitoring, customer charges, factoring, delegation of powers and grievance/appeal mechanisms.

This Policy applies to all branches, Foreign Exchange/Trade Finance Department, Treasury, Operations, Compliance and other units involved in any stage of export, import or MTT processing.

- Regulatory requirements shall prevail over any inconsistent internal procedure.
- Where RBI has permitted an Authorised Dealer to exercise discretion, the Bank shall exercise such discretion only after recording reasons, supporting documents and the approving authority's decision.
- No branch or employee shall create a local practice that dilutes a FEMA/RBI requirement.
- All customer-facing requirements shall be communicated in a clear and transparent manner.
- Charges shall be reasonable and proportionate to services rendered; no charge or penalty shall be levied for a regulatory delay/violation by the customer where the RBI Regulations prohibit such levy.

2. REGULATORY FRAMEWORK AND HIERARCHY

Instrument / Source	Policy treatment
FEMA 1999	Primary statutory framework.
FEMA (Export and Import of Goods and Services) Regulations, 2026	Core regulation for exports, imports and MTT; effective 01 October 2026.
FEMA (Manner of Receipt and Payment) Regulations, 2023, as amended	Manner of receiving export proceeds and making import/export payments.
FEMA (Guarantees) Regulations, 2026	Guarantees / standby LC where applicable.
FEMA (Borrowing and Lending) Regulations, as amended	Trade credit and all-in-cost matters, where applicable.
RBI Master Directions / A.P. (DIR Series) circulars / reporting directions	Operational requirements and reporting procedures.
DGFT Foreign Trade Policy and procedures	Legality of export/import of goods and applicable authorisations.
UCP 600 / URC 522 / applicable ICC rules; Incoterms	Documentary credit and collection transactions, where contractually applicable.
FEDAI rules and Bank's approved treasury/interest-rate policies	Foreign exchange rate application, crystallisation and related treasury operations.

Note: The Bank shall maintain a regulatory tracker. Any RBI notification/circular issued after approval of this Policy shall be examined by the Foreign Exchange Department and Compliance Department for immediate operational impact. Where the new RBI instruction is mandatory and inconsistent with this Policy, the regulatory instruction shall be followed pending formal policy amendment.

3. DEFINITIONS AND GENERAL PRINCIPLES

- Authorised Dealer / AD: a person authorised under Section 10(1) of FEMA.
- EDF: Export Declaration Form as prescribed under the 2026 Regulations.
- EDPMS: Export Data Processing and Monitoring System or any other system specified by RBI for the purpose.
- IDPMS: Import Data Processing and Monitoring System or any other system specified by RBI for the purpose.
- MTT: Merchanting Trade Transaction handled in accordance with the Foreign Trade Policy and FEMA.
- Export value: full export value or reduced export value permitted under the 2026 Regulations.
- Advance receipt: amount received by an Indian exporter before export of goods/services.
- Advance import payment: outward payment made to an overseas supplier before import is completed.
- Factoring: financing/assignment of eligible receivables in accordance with applicable law and RBI directions.

The Bank shall satisfy itself regarding the genuineness of the transaction before crediting export proceeds or debiting import payments and shall simultaneously update/close the relevant EDPMS/IDPMS entry, as applicable.

4. GOVERNANCE, ROLES, SEGREGATION OF DUTIES AND ACCOUNTABILITY

Function	Primary responsibility
Branch / Business Unit	Customer interface; obtain complete documents; preliminary KYC; verify transaction purpose; initiate request; ensure timely submission and follow-up.
Forex / Trade Finance Department	Regulatory scrutiny; transaction approval within delegated powers; EDPMS/IDPMS/FETERS oversight; exception handling; guidance to branches.
Credit Department	Fund/non-fund based export/import finance appraisal and sanction under Credit Policy.
Treasury	FX rates, hedging, forward contracts, foreign currency funding and market-risk controls.
Compliance / AML	KYC/AML/CFT, sanctions, adverse media, high-risk jurisdictions and escalation.
Operations / Maker	Input transaction/reporting data and maintain records.
Checker / Authorising Officer	Independent verification of transaction, documents, reporting and approval.
Internal Audit / Concurrent Audit / IS Audit	Independent review of compliance, delegated powers, reporting and overdue monitoring.

Compliance / Policy Owner	Regulatory change monitoring and policy update coordination.

No employee shall approve a transaction where the employee has originated the transaction, except where the Bank's approved maker-checker/control framework expressly permits such workflow and an independent checker verifies the transaction. High-risk, exceptional or policy-deviation cases shall be escalated as prescribed in the Delegation Matrix.

5. CUSTOMER ONBOARDING, KYC/AML/CFT AND TRANSACTION DUE DILIGENCE

- Valid customer relationship and KYC shall be established before forex transaction processing.
- IEC, GSTIN/PAN and other registrations/licences shall be obtained where applicable.
- Beneficiary, overseas buyer/supplier, country, goods/services, end-use, payment route and source of funds shall be screened as per the Bank's AML/CFT and sanctions framework.
- Transactions involving sanctioned/restricted entities, prohibited goods, unusual third-party arrangements, unexplained routing, circular transactions or inconsistent trade documentation shall be escalated to Compliance before processing.
- Credit reports/status reports may be obtained where required by credit policy, risk appetite or applicable RBI/DGFT instructions.
- Branches shall not rely solely on customer declarations where independent verification is reasonably available.

6. EXPORT BUSINESS – DOCUMENTATION AND PROCESSING

6.1 Standard Export Processing Flow

1. Receive export order/contract/LC and customer request.
2. Verify IEC/KYC, goods/services eligibility, sanctions, buyer and country risk.
3. Obtain invoice, shipping/transport documents and other documents relevant to the transaction.
4. Verify declaration requirements and EDF/Customs/SEZ/STPI interface as applicable.
5. Where export finance is requested, process the credit facility under the Bank's Credit Policy and this Policy.
6. Process the export transaction and report/update EDPMS within prescribed timelines.
7. Monitor realisation/repatriation and issue reminders before due dates.
8. Mark-off/close EDPMS only after satisfying the relevant realisation/adjustment conditions.
9. Maintain complete audit trail and evidence.

6.2 Export Document Checklist

Process	Core documents	Indicative internal TAT*	Approval / control
Export order / LC	Order/contract or LC; customer request; KYC/IEC; sanctions screening	1 working day after complete documents	Branch Maker + authorised Checker
Export bill purchase/discount	Invoice; transport document; EDF/Shipping Bill data; LC/contract; insurance where applicable; finance documents	2 working days after complete documents	Delegated Forex/Credit authority
Export collection	Invoice; transport documents; declaration/EDF data; collection instruction	1 working day after complete documents	Forex/Trade Finance Checker
Export advance receipt	Credit advice/remittance details; contract/order; KYC; declaration; purpose	1 working day after receipt of clear funds/details	Forex Officer/Checker
EDPMS mark-off	Realisation evidence / permitted adjustment documents; customer request where required	Within 2 working days after complete evidence	Forex Department Checker
Extension request	Customer letter citing reasons; supporting evidence; outstanding bill/EDPMS details; recovery/follow-up record	5 working days	As per Delegation Matrix
Under/non-realisation adjustment	Customer request/declaration; reasons; evidence; export details; recovery record	5 working days	As per Delegation Matrix

Note: * Internal TAT is an operational service standard and does not replace any statutory/regulatory timeline. If a complete application cannot be processed within the internal TAT, the branch shall inform the customer of the deficiency and expected next action.

7. EXPORT DECLARATION AND EDPMS PROCEDURES

- For goods, the exporter shall furnish EDF to the specified authority at the time of export; for EDI ports the EDF is deemed part of the shipping bill.
- For services, EDF shall be furnished within 30 days from the end of the month in which the invoice is raised, subject to the specific options and extension permitted by the 2026 Regulations.
- Where the Bank receives EDF from a non-EDI port or service-export authority, it shall enter the relevant details in EDPMS within five working days of receipt.
- All inward export proceeds and applicable export transactions shall be reported/updated in EDPMS.

- For export shipping bills/invoices up to ₹10 lakh (or equivalent), EDPMS closure may be based on an exporter declaration that the payment has been realised in full or otherwise; a quarterly consolidated declaration may also be accepted.
- The Bank shall ensure the declaration is genuine, properly authenticated and retained.

Note: The existing policy's special procedure for ₹10 lakh or less is retained and aligned with Regulation 4 of the 2026 Regulations. The Bank shall not levy penal charges for regulatory delay/violation where prohibited by Regulation 19.

8. EXPORT REALISATION AND REPATRIATION

Export category	Regulatory period under 2026 Regulations
Goods other than warehouse exports	15 months from date of shipment
Goods exported to warehouse outside India	15 months from date of sale of goods from the warehouse
Services	15 months from date of invoice
Project exports	As per payment terms of the contract
Exports invoiced and/or settled in INR	18 months from the applicable date specified in the Regulations

The Bank shall monitor outstanding export receivables through EDPMS and internal MIS. Reminder notices shall be issued before the due date and at defined overdue intervals. The customer shall be required to provide documentary evidence for delayed, disputed, reduced or unrealised proceeds.

Note: The Bank's current policy stated 15 months for all exporters. The 2026 Regulations also provide 15 months, with a specific 18-month period where export goods/services are invoiced and/or settled in INR, and permit the AD to allow extension on a request citing reasons where the AD is satisfied.

9. EXTENSION OF TIME FOR EXPORT REALISATION

An exporter may request extension beyond the applicable regulatory period by submitting a written request citing the reasons for delay. The Authorised Dealer may allow the extension if satisfied with the reasons.

Stage	Documents required	Internal approval
Normal extension	Customer request; export bill/shipping bill/invoice; contract/payment terms; correspondence with buyer; reason for delay; recovery efforts; revised expected realisation date	CM – Forex / Head Forex within delegated power
Material / repeated overdue	All above plus management note, overdue history, buyer status, country risk and proposed recovery plan	DGM – Treasury & Forex or designated higher authority
High-risk / investigation / legal issue	All above plus Compliance/Legal opinion as applicable	GM - Finance & MIS / CEO / Board-level authority as applicable; RBI reference where specifically required

- Every extension shall record the original due date, extended date, reason, evidence relied upon and approving authority.
- Extension shall not be treated as automatic merely because a customer requests it.
- EDPMS shall be updated with the approved extension/remarks in accordance with extant RBI procedure.
- Repeated extension requests shall trigger enhanced monitoring and, where appropriate, escalation to Credit/Compliance.

10. UNDER-REALISATION, OVER-REALISATION, NON-REALISATION AND SET-OFF

10.1 Under-realisation / Non-realisation

- An AD may allow reduction in export realisation on a request citing reasons, after satisfying itself regarding the reasons.
- For exports up to ₹10 lakh per shipping bill/invoice, including non-realisation of the full value, the reduction may be permitted based on the exporter's declaration.
- For higher-value cases, the Bank shall obtain documentary evidence supporting the commercial reason (quality claim, buyer dispute, discount, insurance claim, insolvency, legal settlement, etc.) and ensure there is no AML/sanctions/investigation concern.
- Where recovery remains pending, the Bank shall continue follow-up and retain evidence of recovery efforts.
- Where the unrealised export proceeds remain outstanding beyond one year from the due date or extended period, the customer shall undertake further exports only against full advance or irrevocable LC, as provided in Foreign Exchange Management (Export and Import of Goods and Services) Regulation, 2026 no. - 13.

10.2 Set-off of Export Receivables Against Import Payables

- Set-off may be permitted against import payables from/to the same overseas buyer/supplier or their overseas group/associate companies, within the stipulated or extended realisation period.
- The Bank shall establish bona fides, verify underlying export/import documents, ensure KYC/AML/CFT compliance and report both legs separately as required.

- The transaction shall be recorded using the appropriate set-off mechanism/indicator in EDPMS/IDPMS and FETERS.
- Where the transaction falls outside the general permission or is subject to additional RBI conditions, the case shall be referred to the competent authority/RBI as applicable.

10.3 Over-realisation

The Bank shall not automatically treat excess receipt as an error. It shall obtain the underlying contract/invoice reconciliation, reason for excess receipt, customer declaration and supporting documents, and determine the appropriate accounting/EDPMS treatment under extant RBI/DGFT/tax rules. Any refund, adjustment against another eligible receivable, or retention shall be processed only where legally and regulatorily permissible. The Foreign Exchange Department shall maintain an exception register for over-realisation cases.

Note: The supplied 2026 Regulations expressly provide for reduction in export realisation and set-off, but do not prescribe a standalone numerical threshold for over-realisation. Accordingly, the Bank shall not create an artificial threshold; it shall follow extant RBI operational directions and document the basis of each treatment.

11. ADVANCE RECEIPTS AGAINST EXPORTS

- Advance receipts shall be accepted only after satisfying the genuineness of the export contract/order and the bona fides of the remittance.
- The exporter shall route the advance amount and subsequent export realisation through the same AD, unless the exporter informs both ADs of a change of AD as permitted by Regulation 10.
- The customer shall submit contract/order, invoice/proforma invoice, remittance details, purpose and any other documents required by the Bank.
- Interest, if payable on export advance, shall not exceed the applicable all-in-cost ceiling for trade credit under the relevant FEMA borrowing/lending framework.
- The Bank shall monitor utilisation/adjustment of export advance against exports and EDPMS entries.
- Where export does not materialise, the Bank shall follow the applicable EDPMS closure/reconciliation and repatriation process; where refund is not possible, closure may be considered only after satisfying itself regarding genuineness of the reasons.
- Special long-term export advance arrangements shall be handled only if permitted by extant RBI instructions and subject to separate approval under this Policy.

Note: The existing policy provision stating that goods must be shipped within three years of export advance is not carried forward as a blanket rule because the supplied 2026 Regulations do not prescribe that three-year period. The contractual period and extant RBI instructions shall govern, subject to monitoring and any specific regulatory requirements.

12. EXPORT FACTORING

The Bank may undertake export factoring on a non-recourse basis subject to the Bank's risk appetite, legal authority, applicable FEMA/RBI directions and the Factoring Regulation Act framework.

- Factored invoices shall represent genuine trade receivables arising from bona fide exports.
- The Bank shall ensure that the exporter is not over-financed; working-capital assessment shall consider invoices purchased/factored.
- After factoring, export bills may be closed/reported in EDPMS in accordance with extant RBI procedure and documentary evidence.
- Sanctions, KYC/AML, country risk, dilution risk, disputes, concentration, recourse/non-recourse terms and legal assignment shall be assessed before sanction.
- Factoring fees, discounting charges, correspondent charges and other costs shall be disclosed and approved under the Bank's approved pricing schedule.

Note: The existing RBI Master Direction framework permits AD banks to take their own business decision to enter export factoring on a non-recourse basis, subject to genuine invoices, no over-financing EDPMS treatment. This requirement is retained as a policy control, subject to any reissued RBI Direction effective from 01 October 2026.

13. IMPORT BUSINESS – DOCUMENTATION AND PROCESSING

13.1 Standard Import Processing Flow

10. Receive importer request and underlying purchase order/contract/LC request.
11. Verify KYC/IEC, importer profile, goods eligibility, sanctions and country/beneficiary risk.
12. Verify import licence/authorisation where required by DGFT.
13. Appraise fund/non-fund exposure under Credit Policy where finance is involved.
14. Process LC/remittance/collection/advance payment after regulatory and documentary checks.
15. Create/update IDPMS/ORM entries as required.
16. Obtain and reconcile Bill of Entry/evidence of import.
17. Mark-off/close IDPMS after satisfying payment/import evidence requirements.
18. Monitor outstanding import advances, bills, guarantees and delayed payments.

13.2 Import Document Checklist

Process	Core documents	Internal TAT*	Approval / control
Import LC	LC application; purchase order/contract; proforma invoice; IEC/KYC; sanctions; credit sanction; margin/security documents	3 working days after complete documents.	Delegated LC authority + maker/checker

Advance import remittance	Request letter from the customer in Banks format, Proforma Invoice, FEMA declaration, OGL Certificate. Credit opinion report in case required as per bank policy	1 working day after complete documents	Forex authority as per matrix
Direct Import Payment	Request letter from the customer in Banks format, Commercial Invoice, Bill of Entry, FEMA declaration, OGL certificate, In case payment being made beyond 6 month from the date of shipment , letter from customer stating reason for delay,	1 working day after complete documents	Forex Maker/ checker
Import bill under collection.	Original documents received from the overseas bank along with covering letter, Request letter from the customer in Banks format, FEMA Declaration, OGL certificate.	As per payment terms	Forex Maker/ checker
Extension of import payment	Customer request; reason; contract; bill/IDPMS details; supporting correspondence	5 working days	CM/ DGM /GM as per matrix
IDPMS closure	BoE/evidence or permitted declaration/closure basis; ORM details; reconciliation	2 working days after complete evidence	Forex Department Checker

14. IMPORT PAYMENTS AND EXTENSION OF TIME

Import payments shall be made within the period specified in the underlying contract, subject to applicable FEMA/RBI provisions. The AD may allow extension beyond the contractual period on request citing reasons if satisfied with the reasons.

- Extension cases shall be supported by customer request, supplier correspondence, reasons such as dispute/quality/quantity/financial difficulty or other genuine commercial circumstances, and revised payment terms.
- The Bank shall record the original contractual due date and revised date in its system/IDPMS as applicable.
- Where the delayed payment constitutes or results in trade credit/deferred payment financing, the transaction shall also comply with the applicable FEMA Borrowing and Lending Regulations and RBI trade-credit directions.
- Repeated extensions shall be escalated to DGM Trade & Forex / Compliance and may result in enhanced monitoring.
- Cases involving investigation, sanctions concerns, suspected trade-based money laundering or material documentation deficiencies shall not be extended merely on customer request.

15. ADVANCE PAYMENTS FOR IMPORTS AND NON-MATERIALISATION

- Advance remittance may be permitted after the Bank satisfies itself regarding the genuineness of the requirement.
- The Bank may prescribe internal thresholds beyond which an SBLC/guarantee or additional security is required, based on customer risk, country, beneficiary and transaction size.
- For Advance remittances exceeding USD 1,00,000, Status Report on the overseas supplier shall be called for from the bankers of the beneficiary or from the Bank’s approved credit rating agency such as Dun & Bradstreet, Mira Inform etc. Such reports should be found satisfactory.
- Where the amount of advance remittances for import of goods exceeds USD 2,00,000 or its equivalent, an unconditional, irrevocable standby LC Letters of Credit or a guarantee from an international bank of repute situated outside India or a guarantee from an AD Category-I bank in India, if such a guarantee is issued against the counter-guarantee of a bank of international repute situated outside India is obtained. The period of Guarantee/ Standby LC should be till last date shipment and not less than 2 months period for lodgment of claim in the case of capital goods and in other cases. However, where the importer is unable to obtain bank guarantee from overseas suppliers and we are satisfied about the track record and bonafides of the importer, the requirement of bank guarantee/ standby LC Letters of Credit may be waived with the permission from Deputy General Manager- Treasury & Forex / General Manager -Finance & MIS / CEO.
- Where the amount of advance remittances for import of services exceeds USD 5,00,000 or its equivalent, a guarantee from a bank of international repute situated outside India, or a guarantee from an AD Category-I bank in India, if such a guarantee is issued against the counter-guarantee of a bank of international repute situated outside India, shall be obtained from the beneficiary.
- Follow up should be made to ensure that the beneficiary of the advance remittance fulfils his obligation under the contract or agreement with the remitter in India, failing which, the amount should be repatriated to India.
- Advance payment and subsequent import payments shall ordinarily be routed through the same AD; a change of AD may be permitted if the importer intimates both ADs as provided in Regulation 10.
- Where import does not materialise within the contract or extended period, the importer shall repatriate the advance payment.
- If the advance is not repatriated within the contract/extended period or the IDPMS entry is not appropriately marked off, future advance payments shall require the security prescribed in Regulation 12(2) i.e. an unconditional, irrevocable standby LC Letters of Credit or a guarantee from an international bank of repute situated outside India or a guarantee from an AD Category-I bank in India, which is issued against a counter-guarantee of a bank of international repute situated outside India is obtained. The period of Guarantee/ Standby LC should be till last date shipment and not less than 2 months period for lodgment of claim in the case of capital goods and in other cases.
- No advance remittance for import of gold or silver shall be permitted

- Interest/delayed payment charges shall comply with the all-in-cost ceiling where applicable.

16. IMPORT FINANCE AND IMPORT LETTERS OF CREDIT

- Import LC limits shall be assessed as non-fund-based exposure with due regard to the possibility of devolvement into funded liability.
- LCs shall generally be issued subject to UCP 600 where documentary credit is used.
- Goods must be permissible under the prevailing Foreign Trade Policy and required licences/authorisations shall be obtained.
- Margins/security shall be as per sanction and Bank's Credit Policy; any relaxation shall be within delegated powers and supported by track record/risk assessment.
- Usance/deferred payment arrangements shall be separately examined under applicable trade-credit rules.
- SBLCs/guarantees shall be governed by the FEMA Guarantees Regulations, 2026 and applicable RBI directions.
- Devolvement/forced loan cases shall be reported to sanctioning authority and recovery measures initiated immediately.
- High-risk LC clauses, charter party/house bills, unusual beneficiary/payment structures and other exceptions shall require higher approval as per the Delegation Matrix.

17. EVIDENCE OF IMPORT AND IDPMS

- For imports, the Bank shall obtain/verify Bill of Entry number, port code and date or other permitted evidence of import for IDPMS marking.
- Evidence may include customs documentation, postal appraisal/courier Bill of Entry and permitted evidence for non-physical imports.
- Where the RBI permits alternative evidence in lieu of Bill of Entry, the Bank shall follow the exact eligibility conditions and preserve the certificate/declaration.
- Non-physical imports such as software/data/designs shall be supported by appropriate evidence/certificate as prescribed by RBI.
- Outstanding import evidence shall be followed up through documented reminders and escalation.
- For import entries up to ₹10 lakh (or equivalent), IDPMS closure may be based on an importer declaration that payment has been made in full or otherwise; quarterly consolidated declarations may be accepted as permitted by Regulation 4.

The Bank shall ensure that IDPMS entries, ORMs and Bills of Entry are reconciled promptly and exceptions are reported to the Head of Forex/Trade Finance onward reporting to ED in required.

18. MERCHANTING TRADE TRANSACTIONS

Requirement	Policy
Time between outward and inward leg	Not more than six months; extension may be allowed by AD on customer request citing reasons and satisfaction of AD.
Payment route	Outward remittance only to overseas seller and inward receipt only from overseas buyer, unless third-party payment is permitted after satisfaction of reasons.
Documents	Commercial invoice, purchase/sale contract, transport documents, payment evidence, shipment tracking documents and other documents establishing genuineness, details of remittance if any, Also documents of both export / Import leg should be submit together.
Reporting	EDPMS/IDPMS entries and FETERS reporting as applicable; close/update after both legs are completed.
Monitoring	Dedicated MTT register and ageing report; exception escalation before six-month deadline.

19. INTERNATIONAL TRADE SETTLEMENT / INR SETTLEMENT

The Bank may facilitate international trade invoicing and settlement in Indian Rupees in accordance with the extant RBI framework and instructions. Such transactions shall remain subject to normal documentation, KYC/AML, sanctions, EDPMS/IDPMS/FETERS reporting and Foreign Trade Policy requirements.

- Branches shall not independently create a new settlement arrangement without approval of the Head Office Forex Department.
- Special Rupee Vostro arrangements, where applicable, shall be handled under the Bank's separate approved operating procedure.
- Where export proceeds are invoiced/settled in INR, the 18-month realisation/repatriation period under the 2026 Regulations shall be applied where applicable.

20. THIRD PARTY PAYMENTS / RECEIPTS

Third-party receipts/payments for export and import transactions may be permitted where the Bank is satisfied with the bona fides of the transaction and all applicable KYC/AML/CFT, sanctions, commercial and reporting requirements are met.

- Relationship between the third party and exporter/importer shall be established.
- Reason for third-party settlement and contractual basis shall be documented.
- Invoice/contract/payment instructions shall be checked for consistency.
- Sanctions screening shall cover the third party as well as the underlying buyer/supplier.

- Cases involving unexplained third-party routing, high-risk jurisdictions or unrelated parties shall be escalated to Compliance.

21. REPORTING, RECONCILIATION AND RECORD RETENTION

Reporting / control	Time / standard
EDF received from non-EDI port – EDPMS entry	Within five working days of receipt
Service export EDF – EDPMS entry	Within five working days of receipt
Import details from non-EDI port – IDPMS entry	Within five working days of receipt
Import service details – IDPMS entry	Within five working days of receipt
Inward/outward remittances for exports/imports/MTT	As per extant EDPMS/IDPMS/FETERS reporting requirements
EDPMS/IDPMS mark-off	After satisfying realisation/payment/import evidence requirements

- Maker-checker controls shall be configured for all material reporting entries.
- Daily exception reports shall be generated for aged/unmatched EDPMS/IDPMS items.
- Monthly reconciliation shall cover outstanding exports, import advances, ORM/BoE mismatches, MTT legs, write-offs, extensions and factoring.
- Records shall be retained for the period prescribed by applicable law/RBI/AML/Bank policy, whichever is longer.

22. CHARGES

- Refer attached ANNEXURE.

23. DELEGATION OF POWERS AND APPROVAL MATRIX

The following matrix establishes the minimum internal control framework. Monetary credit sanctioning shall remain subject to the Bank's Credit Policy and separately delegated financial powers. Regulatory approvals under this matrix shall not be construed as sanctioning credit exposure unless the approving authority separately possesses such credit powers.

Process / decision	Branch / Chief Manager Forex Department	DGM / GM – Treasury/ Forex/Finance & MIS	CEO/Admin comittee/ Higher Authority
Routine export/import transaction within policy	May process within branch/operational limits; maker-checker mandatory	--	Not normally required
Export realisation extension – routine, genuine case	CM Forex may approve within internal limit and documented rationale	Beyond CM limit / repeated extensions	Material exception / policy deviation
Import payment extension – routine genuine case	CM Forex may approve within internal limit	Beyond CM limit / repeated extensions	Material exception / policy deviation
Reduction of export value ≤ ₹10 lakh based on declaration	CM Forex / designated checker after verifying declaration	Exception / repeat high-risk cases	Material policy deviation
Reduction / non-realisation > ₹10 lakh	Recommendation by CM Forex with documents to DGM, Treasury & Forex.	Approval within delegated power	Beyond delegated power / exceptional cases
Set-off of export receivable against import payable	CM Forex after full documentary and KYC checks	Complex group/associate / exceptional cases	Exceptional cases
Third-party payment/receipt	CM Forex, DGM Treasury & Forex concurrence where required be taken.	High-risk / unusual cases	Exceptional cases.
Export factoring	Credit + Forex + Legal approval under product/programme	DGM / GM	Board/CEO where new programme or material deviation
MTT extension beyond six months	CM Forex may recommend for approval to DGM Treasury & Forex only within documented AD discretion.	GM – Forex/Finance for material/repeated cases	Policy deviation / exceptional risk
Customer grievance appeal	Chief manager Forex Department	DGM, Treasury & Forex GM, Finance & MIS Not involved in original decision (Final internal appeal authority)	CEO/Admin committee / Board for exceptional institutional matters

Note: Recommended implementation: the Board should approve the matrix after mapping the titles to the Bank's current organisation chart and existing Delegation of Financial Powers. Until such mapping is formally approved, the existing higher-authority matrix shall apply and no employee shall assume powers merely by designation.

24. CUSTOMER GRIEVANCE, ESCALATION AND APPEAL MECHANISM

The Bank shall maintain a transparent escalation and appeal process for customers whose export/import/MTT request is declined, delayed, restricted or subjected to an exception requirement.

Level	Responsible authority	Indicative resolution time
Level 1	Branch Manager / designated Forex Officer	3 working days from receipt of complete grievance
Level 2	Chief Manager – Forex Department / Head Trade Finance	5 working days from escalation
Level 3	Deputy General Manager – Treasury & Forex designated higher authority not involved in original decision	7 working days

Level 4 – Appeal	General Manager – Finance & MIS designated higher authority not involved in original decision	10 working days
Final internal review	CEO/ Admin committee / Board	15 working days

- The appeal must be handled by a higher internal level than the original approving authority.
- The appellate authority shall independently consider the genuineness of the customer's submissions and documentary evidence.
- The final internal decision shall record reasons and communicate the outcome to the customer.
- Where the matter requires RBI approval or another regulator's approval, the customer shall be informed that the Bank cannot independently override the regulatory requirement.
- Complaints shall be logged in a central grievance register and periodically reviewed by the Head of Forex/Compliance.

25. EXCEPTION MANAGEMENT, COMPLIANCE MONITORING AND AUDIT

- All deviations from standard process shall be captured in an Exception Register with transaction reference, reason, risk assessment, approving authority and closure date.
- Compliance shall conduct periodic thematic reviews covering EDPMS/IDPMS, extensions, third-party payments, advances, set-offs, factoring and MTT.
- Internal Audit/Concurrent Audit shall test maker-checker controls, delegation, customer charges, regulatory timelines and evidence of approval.
- Repeated exceptions or control failures shall be reported to the competent committee and corrective action tracked to closure.
- Fraud, trade-based money laundering, sanctions, forged documents or material FEMA violations shall be escalated immediately under the Bank's incident-management framework.

26. POLICY REVIEW AND TRANSITION

This Policy shall come into force on 01 October 2026.

- Before 01 October 2026, the Foreign Exchange Department shall map all open export/import/MTT transactions to the new timelines and identify cases requiring customer communication.
- All open export entries shall be reviewed for the applicable 15-month / 18-month / contract-based period under the 2026 Regulations.
- All open import advances shall be reviewed for contract/extended periods and future-security requirements under Regulation 12.
- MTT cases shall be migrated to the six-month inter-leg monitoring standard.
- EDPMS/IDPMS system changes, MIS fields, approval workflows and customer forms shall be implemented before go-live.
- Board-approved charges and the main features of this Policy/SOP shall be disclosed on the Bank's website as required by Regulation 19(4).
- Any RBI Master Direction reissued for the 2026 Regulations shall be incorporated through a formal regulatory-gap note and policy circular.