

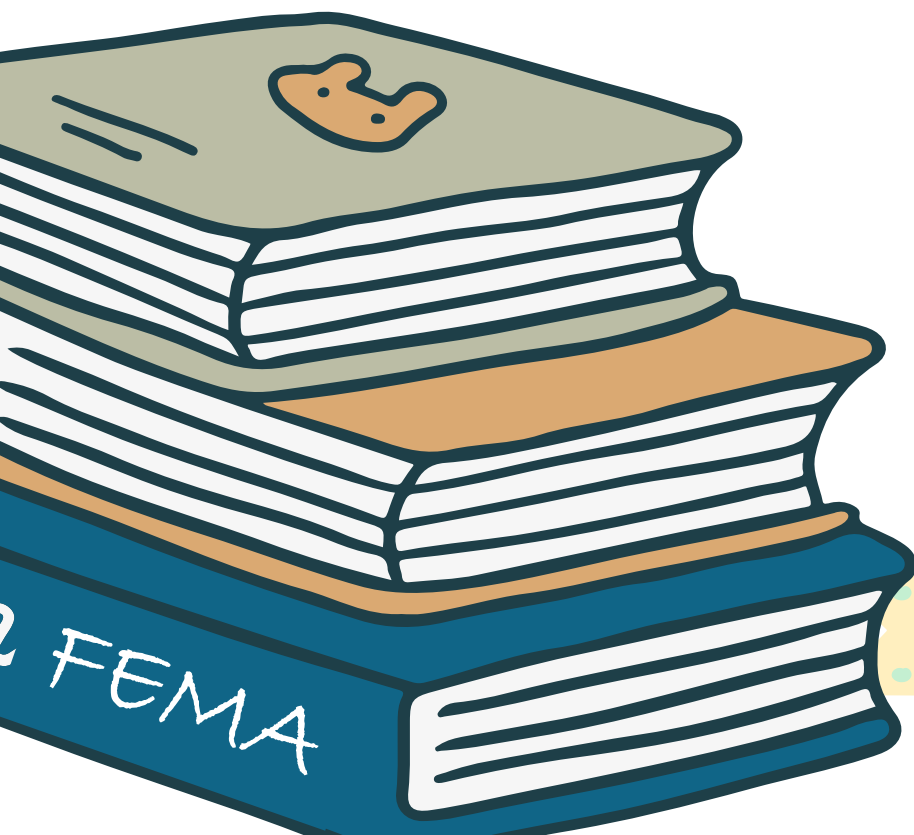
FEMA Ke Fundae

#FamiliarwithFEMA

Follow up of Overdue
Bills

Date: 28/01/2026

Issue no: 188

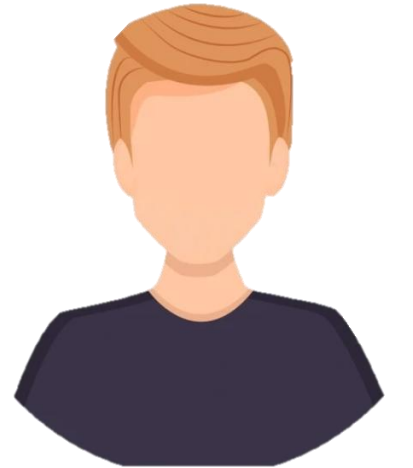




Sanjana

Hi FEMA Gyani! I'm Sanjana, an exporter, I am really worried today. I exported goods a few months ago, but the foreign buyer hasn't paid yet. My bank keeps calling me about "overdue bills" and some EDF form. I honestly don't understand what the problem is. Am I in trouble?

Relax, Sanjana. You've come to the right place. Many exporters face this situation. Let me explain from the basics so you understand why the bank is following up and what FEMA expects.



The FEMA Gyani

Yes please. I thought once goods are exported, payment will come whenever the buyer pays.



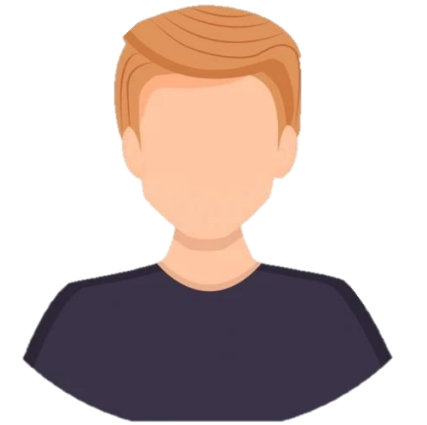
Sanjana



That's where FEMA rules step in. Under FEMA, export proceeds must be realised within a prescribed time.

So, **AD Category-I banks** (your authorised bank) have a responsibility to **closely monitor whether export bills are realised on time.**

If payment does not come by the due date, the bank must **immediately take up the matter with you**, the exporter.



The FEMA Gyani

Okay, so the bank calling me is normal. But what if my buyer delays payment?



Sanjana

If the buyer delays and you **don't bring the money within the allowed period**, or you **don't apply for an extension**, then the bank has no choice.

They must **report the case to the Regional Office of the RBI**, explaining if possible why the export proceeds are delayed.



The FEMA Gyani



Sanjana

I see. The bank also mentioned something about EDF and SOFTEX forms. Why are they holding those?

Good question.

Your bank keeps the **duplicate copy of EDF or SOFTEX forms** as proof of export.

They will **hold these documents until the full export proceeds are realised.**

Only in cases like **undrawn balances** (where part payment is legitimately not expected) can they close it earlier.



The FEMA Gyani



Sanjana

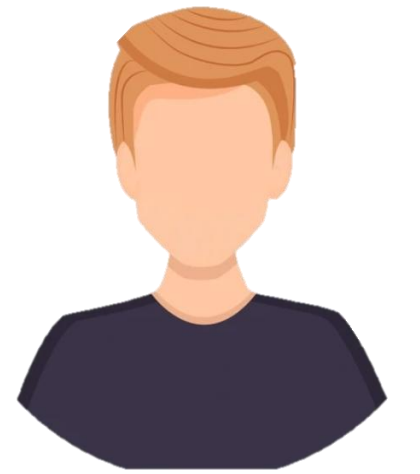
What happens if banks don't follow up properly with exporters?



FEMA is very strict here.

Banks are required to **systematically and vigorously follow up** all export outstanding cases.

If an AD bank shows **laxity or delay in follow-up**, RBI can take it seriously and even **invoke penal provisions under FEMA, 1999**—against the bank.



The FEMA Gyani

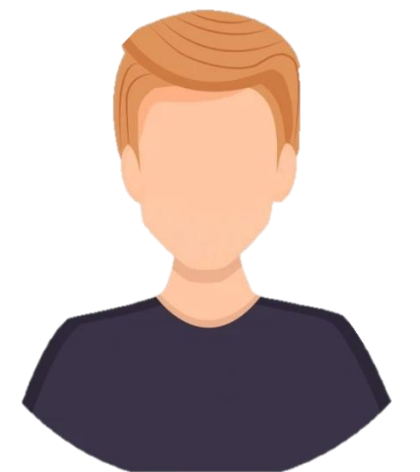
That explains why they keep chasing me! But someone also mentioned EDPMS. What is that?



Sanjana

Since **EDPMS (Export Data Processing and Monitoring System)** became operational on **1 March 2014**, all export transactions with shipping documents **after 28 February 2014** must be tracked there.

So, whenever your export proceeds are realised, the bank must **report the realisation in EDPMS**. This creates a digital trail for RBI monitoring.



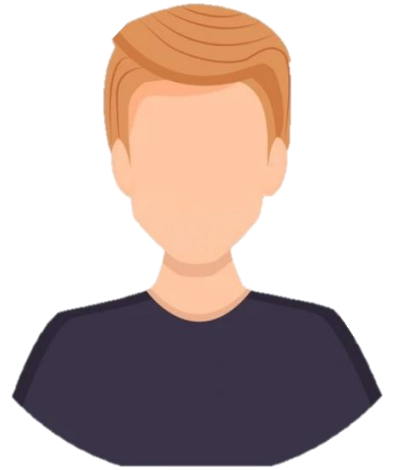
The FEMA Gyani



Sanjana

So basically, I must either receive the money on time or formally seek an extension, otherwise both me and the bank face FEMA issues?

Exactly, Sanjana.
If you stay proactive and coordinate with your bank, there's nothing to worry about.



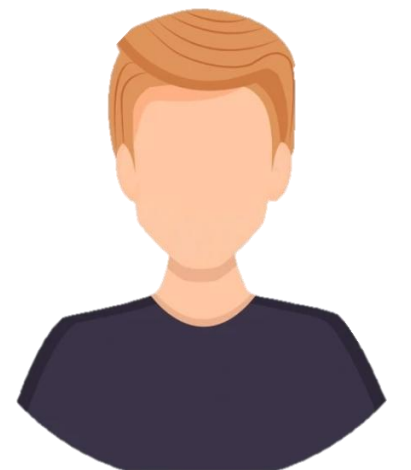
The FEMA Gyani

Thank you, FEMA Gyani. I was totally clueless, but now I understand why overdue export bills are taken so seriously.



Sanjana

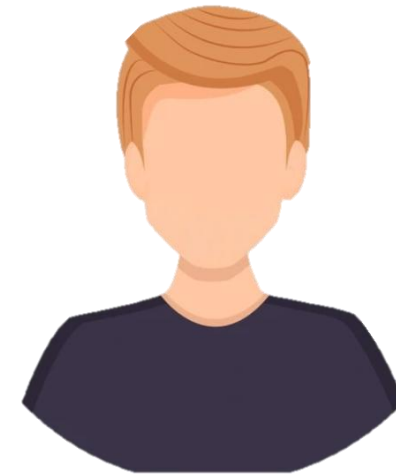
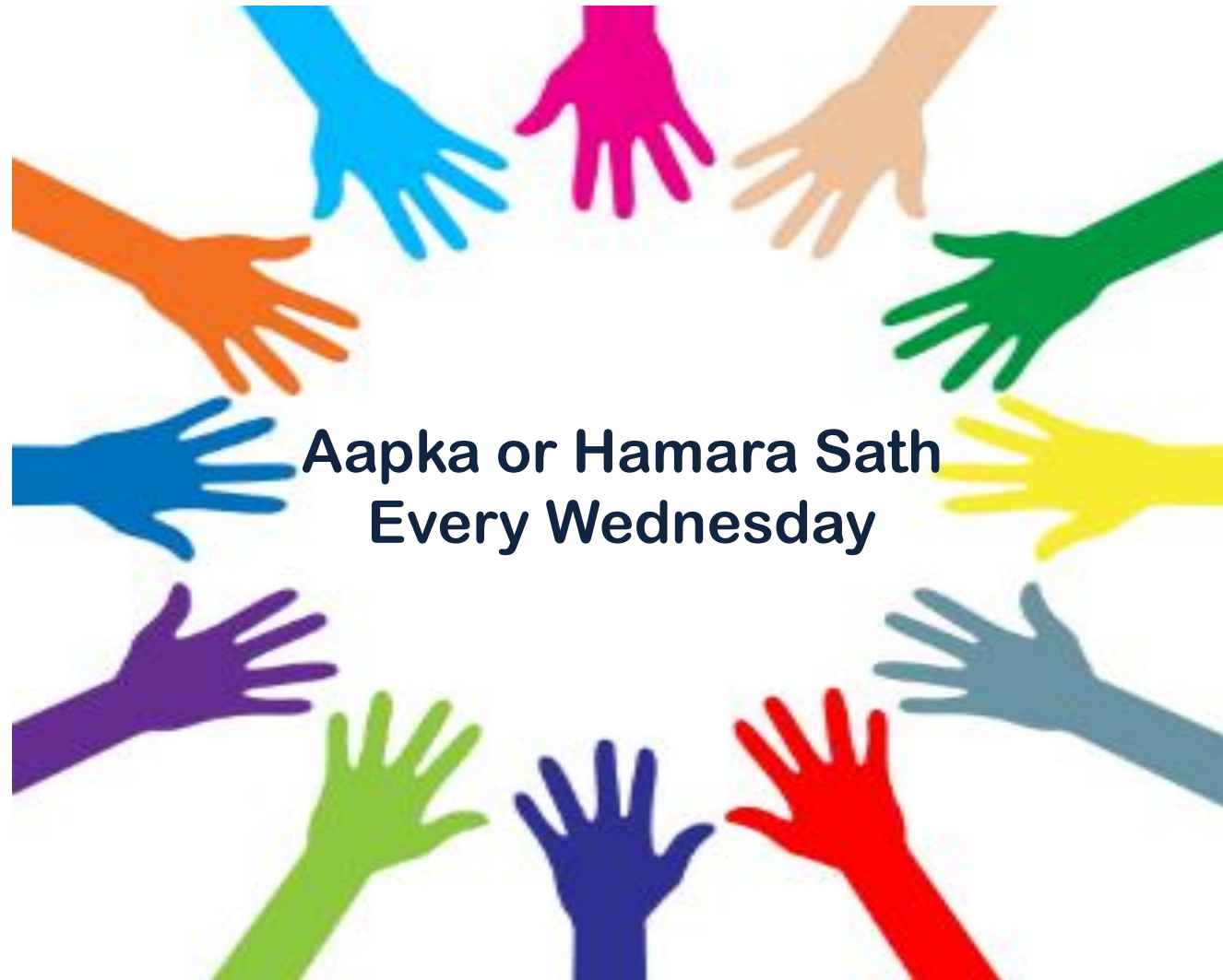
You're Welcome, Sanjana!



The FEMA Gyani



Thank You



The FEMA Gyani

Comments

Feedbacks

Suggestions



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