e-book

HOW TO EXPORT

A Practical Guide to Exporting from India

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A Practical Guide to Exporting from India

Practical overview for **entrepreneurs and exporters** on how to engage in international trade. It covers essential **initial procedures** like obtaining an **Importer-Exporter Code (IEC)** and understanding **ITC-HS Codes** for product classification. The document explains various **company registration types** in India, crucial **export documentation**, and the role of **Incoterms** in defining buyer and seller responsibilities. Furthermore, it details **logistics and cold chain processes**, identifies **organizations that promote exports**, and highlights numerous **government schemes and incentives** available to facilitate exporting from India.

1. The Importance and Benefits of Exporting

The document highlights exports as a "fundamental driver of growth for any economy," influencing GDP, exchange rates, inflation, and interest rates. A robust export sector leads to numerous economic advantages:

- **Increased Job Opportunities:** Exports create employment.
- **Enhanced Foreign Currency Reserves:** They boost a nation's foreign currency holdings.
- **Boosted Manufacturing:** Export demand can stimulate industrial production.
- **Increased Government Revenue:** More economic activity translates to higher tax collection.
- **Economic Recovery:** Exports can help a country emerge from recession.

Beyond macro-economic benefits, the guide emphasizes the significant advantages for individual businesses:

- **Increasing Profit Margins:** "Exporting products manufactured in countries with low production costs to markets where the retail price may be higher is a way to achieve higher profit margins."
- **Reducing Production Cost per Unit:** Entering new markets often requires increased production, leading to "economies of scale, generate large business volumes and reduce production costs per unit."
- **Improving Liquidity:** Export payment terms often involve "full or partial advance payment, letter of credit or documentary collection," which reduces risk and improves cash flow.
- **Enhancing Competitiveness:** Competing internationally forces continuous adaptation and improvement of "processes, strategies, equipment, etc.," making the exporting company "increasingly competitive."
- **Operating in Markets with Less Competition:** Strategic market research allows businesses to "export to countries where our products and services have less competition."

2. Setting Up an Export Business: Foundational Steps

Starting an export business requires a structured approach, beginning with establishing a legal entity and securing essential registrations.

2.1. Establishing an Organization / Legal Entity

The first step is to legally register an organization under the "Companies Act of 2013." The guide details seven primary types of company registrations in India, each with specific requirements:

- **Private Limited Company:** Requires 2-15 directors (at least one Indian resident), 2-200 shareholders, minimum capital of ₹1,00,000, and a registered Indian office. Shares are not publicly tradable.
- **Public Limited Company:** Shares can be held and traded by the general public on stock exchanges. Requires ROC certification before commercial activities.
- **Partnership Company:** Two or more individuals share responsibilities, profits, and losses based on an agreement. Governed by the Indian Partnership Act of 1932. Can operate without a license if a Partnership Deed is registered.
- **Limited Liability Partnership (LLP):** Business assets are distinct from personal assets, offering limited liability protection. Requires a minimum capital of ₹1,00,000 and at least one Indian resident partner.
- **One Person Company (OPC):** Ideal for single-person businesses or startups, offering liability protection. Requires a minimum capital of ₹1,00,000 and the individual must be an Indian citizen. Not for finance businesses.
- **Sole Proprietorship:** Run by a single person, with the owner responsible for all profits and losses. Easy to set up, often for home-based businesses.
- **Section 8 Companies (NGOs/Non-Profit Organizations):** Focused on charity, arts, science, education, environmental protection. Requires at least two shareholders and directors (one Indian resident), and a registered Indian address. No capital requirement.

Key Documents and Registrations for Company Formation:

- **Registrar of Companies (RoC):** Appointed under Section 609 of the Companies Act, responsible for registering companies and LLPs and ensuring statutory compliance.
- **Director Identification Number (DIN):** Mandatory for all existing and intending Directors, introduced by the Companies (Amendment) Act, 2006.
- **Memorandum of Association (MOA):** The "charter of a company," defining its constitution, scope of activities, objectives, authority, and relationship with the outside world. It is the "foundation of the company’s structure."
- **Articles of Association (AOA):** Contains the company's internal "rules or bye-laws and regulations that control or govern the conduct of its business and manage its internal affairs." It is "subordinate to the MOA" and must align with the MOA and the Companies Act, 2013.

2.2. Opening a Bank Account

A "Current Account with a Bank authorized to deal in Foreign Exchange" is essential. These accounts offer features like unrestricted deposits/withdrawals, numerous free cheques, convenient transfers, and overdraft facilities.

Required Documents for Current Account:

- Proof of identity (PAN card, Voter ID, passport, driving license).
- Proof of address (Telephone bill, electric bill).
- Proof of business existence.

2.3. Obtaining Permanent Account Number (PAN)

A PAN from the Income Tax Department is "necessary for every exporter and importer." The application process can be done online via NSDL or UTIITSL websites, requiring an application form, fee, and submission of identity, address, date of birth, and (for companies) registration certificates.

2.4. Obtaining Importer-Exporter Code (IEC)

The IEC is a "key business identification number which is mandatory for Exports or Imports." No import or export can occur without an IEC granted by the DGFT. For services or technology, IEC is required if the provider benefits from the Foreign Trade Policy or deals with specified services.

Key point: "Consequent upon introduction of GST, IEC number is the same as the PAN of the firm." However, the IEC is "separately issued by DGFT."

IEC Registration Process (Online via DGFT Website):

1. Go to the DGFT Website.
2. Navigate to the Services tab.
3. Enter PAN number (of person or company).
4. Enter details as mentioned on the PAN card.
5. Enter mobile number and email ID for OTP verification.
6. Fill and update application entity details.

I. Quiz: Short Answer Questions

Answer each question in 2-3 sentences.

1. What is the primary purpose of the "HOW TO EXPORT: A practical guide" booklet?
2. List two fundamental drivers of growth for any economy mentioned in the introduction.
3. Explain how exporting can lead to increased profit margins for a business.

4. What is "economies of scale" in the context of reducing production costs through exporting?
5. According to the Companies Act of 2013, what is the minimum and maximum number of directors for a Private Limited Company?
6. How does a Partnership Company differ from a Sole Proprietorship in terms of the number of people involved and profit/loss sharing?
7. What is the main distinction regarding share tradability between a Private Limited Company and a Public Limited Company?
8. Briefly describe the purpose of the Memorandum of Association (MOA) for a company.
9. What is the function of the Articles of Association (AOA) and how does it relate to the MOA?
10. What key business identification number is mandatory for exports or imports, and how is it related to a firm's PAN number after GST introduction?

II. Answer Key

1. The primary purpose of the "HOW TO EXPORT: A practical guide" booklet is for educational and training purposes, serving as a brief practical reference for entrepreneurs, exporters, traders, and potential exporters on how to begin exporting. It aims to provide knowledge on initial procedures, documents, and organizations necessary for starting an export business.
2. Two fundamental drivers of growth for any economy mentioned in the introduction are exports and their ability to influence a country's GDP, exchange rate, level of inflation, and interest rates. A robust export data is beneficial as it leads to increased job opportunities and enhanced foreign currency reserves.
3. Exporting can lead to increased profit margins by allowing businesses to sell products manufactured in countries with low production costs to markets where the retail price may be higher. This strategy reduces costs and increases revenues, directly contributing to profit growth.
4. In the context of reducing production costs through exporting, "economies of scale" refers to the cost advantages that enterprises obtain due to their scale of operation. By increasing production to enter new markets, businesses can generate larger volumes, which in turn reduces the cost per unit of production.
5. According to the Companies Act of 2013, a Private Limited Company should consist of at least two directors and utmost fifteen directors. Additionally, at least one director must be an Indian resident.
6. A Partnership Company differs from a Sole Proprietorship in that it involves two or more people, whereas a Sole Proprietorship is run by a single person. In a partnership, the responsibilities, profits, and losses are shared among the partners based on a clear agreement.
7. The main distinction regarding share tradability is that a Private Limited Company's shares are not eligible to trade or transfer publicly. In contrast, the shares of a Public

Limited Company can be held by the general public and traded on stock exchange platforms.

8. The Memorandum of Association (MOA) is a foundational document for a company, acting as its charter. It outlines the company's constitution, defining its scope of activities, objectives, and the extent of its authority, as well as its relationship with the outside world.
9. The Articles of Association (AOA) contains a company's internal rules, bye-laws, and regulations that govern the conduct of its business and manage its internal affairs. The AOA is subordinate to the MOA and must align with both the MOA and the Companies Act, 2013.
10. The key business identification number mandatory for exports or imports is the Importer-Exporter Code (IEC). Consequent to the introduction of GST, the IEC number is now the same as the Permanent Account Number (PAN) of the firm.

III. Essay Format Questions

1. Discuss the multi-faceted benefits of exporting for a national economy. Include how it impacts GDP, employment, and foreign currency reserves, and explain its role in economic recovery.
2. Compare and contrast the characteristics and eligibility criteria of a Private Limited Company and a Public Limited Company as outlined in the Companies Act of 2013.
3. Explain the significance of the Memorandum of Association (MOA) and Articles of Association (AOA) in establishing a company. Detail their respective purposes and their hierarchical relationship.
4. Outline the essential steps an individual or entity must follow to establish an export business, starting from organizational setup to obtaining necessary identification numbers and accounts.
5. Analyze the advantages exporting offers to an individual business or company beyond economic growth, such as increasing profit margins, reducing production costs, improving liquidity, and enhancing competitiveness.

IV. Glossary of Key Terms

- **Niryat Bandhu Scheme:** A scheme under which the "HOW TO EXPORT" booklet is published, primarily for educational and training purposes for potential and existing exporters.
- **GDP (Gross Domestic Product):** The total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
- **Economies of Scale:** The cost advantages that enterprises obtain due to their scale of operation, with costs per unit of output generally decreasing with increasing scale.
- **Liquidity:** The ease with which an asset, or security, can be converted into ready cash without affecting its market price. In exporting, it refers to increased cash flow due to favorable payment terms.

- **Companies Act of 2013:** The legal framework in India that governs the incorporation, responsibilities of companies, directors, and the dissolution of companies.
- **Sole Proprietorship:** A type of business entity owned and run by one individual, where there is no legal distinction between the owner and the business.
- **Partnership Company:** A business structure where two or more individuals agree to share in the profits or losses of a business that they jointly operate.
- **Private Limited Company:** A type of company that offers limited liability to its shareholders but places restrictions on the public trading of its shares and the number of shareholders.
- **Public Limited Company:** A company whose shares can be publicly traded and owned by a wide range of investors, established according to company law.
- **Limited Liability Partnership (LLP):** A relatively new business structure that combines elements of partnerships and corporations, offering partners limited liability while allowing them to operate as a partnership.
- **One Person Company (OPC):** A type of company that allows a single individual to incorporate a company with limited liability, blending features of sole proprietorship and a private limited company.
- **Section 8 Company:** A non-profit organization (NGO) registered under the Companies Act of 2013, formed for charitable purposes such as promoting art, science, education, or environmental protection, without the objective of profit.
- **Registrar of Companies (RoC):** Government authority responsible for registering companies and LLPs in India and ensuring their compliance with statutory requirements.
- **Director Identification Number (DIN):** A unique identification number assigned by the Ministry of Corporate Affairs to an individual who is appointed as a director of a company.
- **Memorandum of Association (MOA):** A foundational legal document that defines the scope of a company's activities, objectives, and its relationship with the outside world; considered the "charter" of a company.
- **Articles of Association (AOA):** A document that contains the rules and regulations for the internal management of a company and the conduct of its business; subordinate to the MOA.
- **Current Account:** A type of bank account designed for businesses, professionals, and institutions, offering features like restriction-free deposits/withdrawals and overdraft facilities.
- **PAN (Permanent Account Number):** A ten-digit alphanumeric identifier issued by the Indian Income Tax Department, mandatory for financial transactions and tax purposes.
- **NSDL (National Securities Depository Limited):** One of the two main depositories in India for securities, also involved in processing PAN card applications.

- **UTIITSL (UTI Infrastructure Technology And Services Limited):** A government-owned company that provides financial services, including the processing of PAN card applications.
- **Importer-Exporter Code (IEC):** A mandatory key business identification number for individuals or entities undertaking import or export activities in India, issued by the DGFT.
- **DGFT (Directorate General of Foreign Trade):** An agency of the Ministry of Commerce and Industry, Government of India, responsible for implementing the Foreign Trade Policy and issuing IECs.
- **GST (Goods and Services Tax):** A comprehensive indirect tax levied on the supply of goods and services in India. Post-GST, the IEC is often the same as the firm's PAN.

Import and Export: Codes and Regulations

Indian Trade Classification (ITC-HS)

I. Import Export Code (IEC)

The Import Export Code (IEC) is a crucial registration for organizations and individuals involved in international trade in India. It is a one-time registration with lifelong validity and offers numerous benefits, facilitating global market access and revenue growth.

A. Application Process (Steps 7-12)

The document outlines a clear, step-by-step process for obtaining an IEC, emphasizing efficiency with a 15-minute timeframe for adding branch details.

Step 7: Add Branch Details (Within 15 minutes)

Step 8: Fill and update the Director/Partner details.

Step 9: Upload Documents Scanned Copies of Essential Documents.

Step 10: Fee Payment (Debit/Credit Card Net Banking)

Step 11: Preview & Print Application

Step 12: Final Submission

B. Required Documents

Applicants must gather specific documents to ensure a smooth registration process:

E-mail & Mobile Number

PAN Card

Address Proof: "Aadhar Card or Passport or Voter ID is accepted for proprietary ship. For other forms documents like Sale deed, Rent agreement, lease deed, etc are accepted."

Valid Bank Account: "in the name of applicant with pre-printed cancelled cheque"

Fees: "Rs.500/- with applicable taxes can be paid via Net Banking, Debit Card or Credit Card."

C. Benefits of IEC

Possessing an IEC unlocks several advantages for businesses:

Open International Market: "IEC helps you in taking your organization and products to the worldwide market and develop your organizations. You can also sell your products on international platforms."

Product scaling and Increased Revenue: "there will be a vast increase in the revenue of the organization."

Several benefits are availed: "the organization and various companies can avail several benefits from DGFT, customs, etc as per the IEC registration. On Exports the organization can claim tax benefits as well."

No need of any renewal: "IEC code is successful for the lifetime of a substance and requires no recharging. It could also be utilized by a substance against all fare and import exchanges."

D. When IEC is Required

The IEC is mandatory at various critical junctures in international trade:

Customs Clearance: "If an importer needs to clear his shipments from the traditions at that time IEC is required by the traditions experts."

International Fund Transfers (Importers): "When in importer sends cash to another country through banks at that point IEC is required by the bank."

Shipment Dispatch (Exporters): "At the point when an exporter needs to send his shipments then its required by the traditions port."

Receiving Foreign Currency (Exporters): "When an exporter receives foreign currency in his bank account, IEC is required."

E. Needs of IEC

Beyond transactional requirements, the IEC serves specific strategic needs:

Importer needs IEC License for custom clearance.

Exporters need IEC License for export subsidy.

Bank requires IEC License for sending and receiving money to foreign customers.

For Food Licensing and APEDA Licensing IEC is required.

II. Registration-Cum-Membership Certificate (RCMC)

The Registration-Cum-Membership Certificate (RCMC) validates an exporter's registration with an authorized Indian Government agency or organization, specifically an Export Promotional Council (EPC) or Commodities Board.

A. Application Process and Governing Bodies

Exporters must file an application in "Form ANF 2C with the concerned Export Promotional Council (EPC) and declare his mainstream business in the application."

A "new Common Digital Platform (DGFT e-RCMC module) for Issuance of RCMC/RC had been developed, which would be single-point access for all exporters & importers."

There are "27 Export promotion councils and nine commodities boards in India" authorized to issue RCMC.

Each EPC and Commodities Board categorizes itself by the type of products it covers.

B. Special Cases for RCMC

Products not covered by an EPC/Commodity Board: RCMC is obtained from the "Federation of Indian Exporters Organization (FIEO)."

Multi-product exporters: Have the option to "obtain RCMC from the Federation of Indian Exporters Organization (FIEO)."

Multi-product exporters with head/registered office in North Eastern States: RCMC may be obtained from the "Shellac & Forest Products Export Promotion Council (except for the products looked after by APEDA, Spices Board, and Tea Board)."

Handicrafts and handloom exporters from Jammu & Kashmir: The "Director, Handicrafts, Government of Jammu & Kashmir, is authorized to issue Registration Cum Membership Certificate (RCMC)."

III. Selection of Product

The document notes that "All items are freely exportable except few items appearing in prohibited/ restricted list." This highlights the importance of checking restricted lists before product selection. Proper selection should also involve "studying the trends of export of different products from India."

IV. ITC-HS Code (Indian Trade Classification based on Harmonized System of Coding)

The ITC-HS Codes are a standardized system used in India for import-export operations, based on the international Harmonized System. India uses an eight-digit code to meet national trade requirements.

A. ITC-HS Codes Schedules

ITC-HS codes are divided into two schedules:

Schedule I (Import): Describes "the rules and guidelines related to import policies." It is divided into "22 sections and each section is further divided into chapters. The total number of chapters in the schedule I is 99."

Schedule II (Export): Contains "98 chapters giving all the details about the guidelines related to the export policies."

B. Governing Body of ITC (HS) Code

The "DGFT (Directorate General of Foreign Trade)" is responsible for all changes, formulations, or additions to ITC-HS Codes. This includes "Commodity description, weeding out of defunct codes, addition of new codes, change of product description etc., are taken up periodically as a part of the ongoing process towards perfection."

C. How to Read ITC HS Code

The eight-digit ITC-HS code is structured hierarchically:

First 2 digits: Chapter (e.g., 76 in 76069299)

First 4 digits: Heading (e.g., 7606 in 76069299)

First 6 digits: Sub Heading (e.g., 760692 in 76069299)

All 8 digits: Regional Tariff (e.g., 76069299)

D. ITC HS Code System: Sections and Chapters Overview

The document provides a detailed breakdown of the 22 sections, encompassing 99 chapters, covering a vast range of products:

SECTION I (Chapter 01 TO 05): LIVE ANIMALS; ANIMAL PRODUCTS

SECTION II (Chapter 06 TO 14): VEGETABLE PRODUCTS

SECTION III (Chapter 15): ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES

SECTION IV (Chapter 16 TO 24): PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO AND MANUFACTURED TABACCO SUBSTITUTES

SECTION V (Chapter 25 TO 27): MINERAL PRODUCTS

SECTION VI (Chapter 28 TO 38): PRODUCTS OF THE CHEMICALS OR ALLIED INDUSTRIES

SECTION VII (Chapter 39 TO 40): PLASTICS AND ARTICLES THEREOF; RUBBER AND ARTICLES THEREOF

SECTION VIII (Chapter 41 TO 43): RAW HIDES AND SKINS, LEATHER, FURSKINS AND ARTICLES THEREOF; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILK-WORM GUT)

SECTION IX (Chapter 44 TO 46): WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OR CORK; MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK

SECTION X (Chapter 47 TO 49): PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD; PAPER AND PAPERBOARD AND ARTICLES THEREOF

SECTION XI (Chapter 50 TO 63): TEXTILE AND TEXTILE ARTICLES

SECTION XII (Chapter 64 TO 67): FOOTWEAR, HEADGEAR, UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-STICKS, WHIPS, RIDING- CROPS AND PARTS THEREOF; PREPARED FEATHERS AND ARTICLES MADE THEREWITH; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR

SECTION XIII (Chapter 68 TO 70): ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE

SECTION XIV (Chapter 71): NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL, AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN

SECTION XV (Chapter 72 TO 83): BASE METALS AND ARTICLES OF BASE METAL

SECTION XVI (Chapter 84 TO 85): MACHINERY AND MECHANICAL APPLIANCES; ELECTRICAL EQUIPMENT; PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLE

SECTION XVII (Chapter 86 TO 89): VEHICLES, AIRCRAFT, VESSELS AND ASSOCIATED TRANSPORT EQUIPMENT

SECTION XVIII (Chapter 90 TO 92): OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; CLOCKS AND WATCHES; MUSICAL INSTRUMENTS; PART AND ACCESSORIES THEREOF

SECTION XIX (CHAPTER 93): ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF

SECTION XX (Chapter 94 TO 96): MISCELLANEOUS MANUFACTURED ARTICLES

What is an IEC and what are its benefits?

- An Import Export Code (IEC) is a crucial license for organizations and individuals involved in international trade. It opens up the worldwide market for an organization's products, leading to significant increases in revenue through product scaling. Holders of an IEC can also avail various benefits from government bodies like DGFT and customs, including tax benefits on exports. A key advantage of the IEC is that it does not require renewal; it is valid for the lifetime of the entity and can be used for all import and export transactions.

When is an IEC required?

- An IEC is required at several critical junctures in international trade. Importers need it for customs clearance of their shipments and when sending money to other countries through banks. Similarly, exporters require an IEC when sending out their shipments through customs ports and when receiving foreign currency into their bank accounts.

Additionally, for specific licenses like Food Licensing and APEDA Licensing, an IEC is a prerequisite.

What documents and fees are needed to obtain an IEC?

- To apply for an IEC, the following documents are essential: an email address, a mobile number, a PAN Card, and an address proof (Aadhar Card, Passport, or Voter ID for proprietorships; Sale deed, Rent agreement, or lease deed for other forms). A valid bank account in the applicant's name with a pre-printed cancelled cheque is also required. The application fee is Rs. 500/-, plus applicable taxes, and can be paid via Net Banking, Debit Card, or Credit Card.

What is the application process for an IEC?

- The IEC application process involves several steps. After gathering the necessary documents, the process includes adding branch details, filling and updating director/partner details, uploading scanned copies of essential documents, and making the fee payment. Finally, applicants can preview and print their application before making the final submission.

What is a Registration-cum-Membership Certificate (RCMC) and why is it important?

- A Registration-cum-Membership Certificate (RCMC) is a certificate that verifies an exporter is registered with an agency or organization authorized by the Indian Government for dealing with specific products. It is important because it validates the exporter's business and is often necessary to avail various benefits and incentives provided by the government for export promotion. The DGFT has developed a new Common Digital Platform (DGFT e-RCMC module) to serve as a single-point access for all exporters and importers to obtain RCMC/RC.

How is an RCMC obtained, and who are the issuing authorities?

- An exporter seeking an RCMC must file an application in Form ANF 2C with the relevant Export Promotional Council (EPC), declaring their mainstream business. There are 27 Export Promotion Councils and nine commodities boards in India, which are the authorities for issuing RCMCs, each categorized by the type of products they cover. If a product is not covered by any specific EPC/Commodity Board, the RCMC can be obtained from the Federation of Indian Exporters Organization (FIEO). FIEO also issues RCMCs for multi-product exporters or those with head/registered offices in the North Eastern States (with some exceptions). For handicrafts and handloom products from Jammu & Kashmir, the Director, Handicrafts, Government of Jammu & Kashmir, is authorized to issue the RCMC.

What are ITC-HS Codes, and how are they structured?

- ITC-HS Codes, or Indian Trade Classification based on Harmonized System of Coding, are an eight-digit classification system used in India for import-export operations to suit national trade requirements. They are divided into two schedules: Schedule I for import policies (22 sections, 99 chapters) and Schedule II for export policies (98 chapters). Each chapter is further divided into sub-headings, under which specific HS codes are mentioned. The Directorate General of Foreign Trade (DGFT) is responsible for any changes, formulations, or additions to these codes. The structure of an 8-digit HS code is as follows: the first 2 digits represent the Chapter, the first 4 digits represent the Heading, the first 6 digits represent the Sub-Heading, and all 8 digits represent the Regional Tariff.

Can all items be exported from India, and how does product selection relate to ITC-HS Codes?

- Most items are freely exportable from India, with only a few appearing on a prohibited or restricted list. Proper product selection for export should be made after studying export trends of different products from India. Once a product is selected, its corresponding ITC-HS Code becomes crucial. These codes categorize products into broad sections (e.g., Live Animals, Vegetable Products, Chemical Products, Machinery), with each section containing multiple chapters. Understanding the ITC-HS Code helps in identifying the specific classification of the product, which is essential for import and export operations, including customs clearance and policy compliance.

International Trade: Policy, Process, and Packaging

Critical information for understanding international trade, particularly in the Indian context, covering import/export policies, the role of Incoterms, and practical steps in processing export orders and packaging.

I. Indian Trade Classification (ITC)-Harmonized System (HS) and Import/Export Policy

The Indian Trade Classification (ITC)-Harmonized System (HS) categorizes goods to define their import and export policies. Most goods can be freely imported or exported if not explicitly mentioned in the following categories:

A. Import Policy

Goods in India are classified into three import categories:

- **Restricted:** These items require an import license from the relevant regional licensing authority. The license specifies how the goods must be disposed of. An import license is valid for "24 months for capital goods, and 18 months for all other goods."
- **Canalized:** These goods can only be imported through "specific procedures or methods of transport" and via "canalizing agencies." Examples include "petroleum products, bulk agricultural products, such as grains and vegetable oils, and some pharmaceutical products."
- **Prohibited:** These are "strictly prohibited on all import channels in India." Examples include "wild animals, tallow fat and oils of animal origin, animal rennet, and unprocessed ivory."
- **Freely Imported:** Goods not falling into the above categories can be imported "without any restriction, if the importer has obtained a valid IEC." No separate import license is needed.

B. Export Policy

Similar to imports, goods can be freely exported unless they fall into one of these classifications:

- **Restricted Goods:** An exporter must obtain an explicit license for these goods, which also details the "set of procedures/conditions" for their export.
- **Prohibited Goods:** These "cannot be exported at all," primarily including "wild animals, and animal articles that may carry a risk of infection."
- **State Trading Enterprise (STE):** Certain items can only be exported through designated STEs, subject to conditions specified in the EXIM policy.

II. Key Steps in Export Process (Sections 7-12)

The document outlines a structured approach to successful exporting, from market selection to risk mitigation.

- **7) Selection of Markets:** Research is crucial, covering "market size, competition, quality requirements, payment terms etc." Exporters can leverage "DGCIS data, Export Promotion Councils, Indian Missions abroad," and consider factors like "Demand, Distance, Fright & Other Expenses, Free Trade Agreements, Accessibility."
- **8) Finding Buyers:** Effective strategies include "Participation in trade fairs, buyer seller meets, exhibitions, B2B portals, web browsing." Creating a "multilingual Website with product catalogue, price, payment terms and other related information would also help."
- **9) Sampling:** Providing "customized samples as per the demands of foreign buyers help in getting export orders." Bonafide trade and technical samples of freely exportable items are allowed "without any limit" as per FTP 2023.
- **10) Pricing/Costing:** Product pricing is vital for competition. It should account for "all expenses from sampling to realization of export proceeds on the basis of terms of sale." Understanding Incoterms is essential before finalizing prices, aiming for "maximum quantity at competitive price with maximum profit margin."
- **India FTA Engagements:** India has "signed 13 free trade agreements (FTAs) and 6 preferential trade agreements (PTA)." FTAs are comprehensive with deeper commitments, while PTAs are "confined to trade in goods and seeks only tariff elimination in terms of a margin of preference (MOP)." Knowledge of concessions can benefit Indian exporters.
- **11) Negotiation with Buyers:** After establishing buyer interest and future prospects, "reasonable allowance/discount in price may be considered."
- **12) Covering Risks through ECGC:** International trade involves "payment risks due to buyer/ Country insolvency." The Export Credit Guarantee Corporation Ltd (ECGC) provides policies to cover these risks, especially when orders are placed "without making advance payment or opening letter of Credit."

III. INCOTERMS (International Commercial Terms)

Incoterms are universally accepted selling terms that define the responsibilities, costs, and risks between buyers and sellers in international transactions.

- **Definition:** Incoterms "clearly state which tasks, costs and risks are associated with the buyer and the seller." They specify "when the seller's costs and risks are transferred onto the buyer."
- **Role in International Trade:** Published by the International Chamber of Commerce (ICC), Incoterms "provide internationally accepted definitions and rules of interpretation for most common commercial terms used in contracts for the sale of goods." They are crucial for "determining the price of the export products and negotiating the delivery point of goods."
- **Incoterms 2020 Categories:Rules for any mode or modes of transport (7 terms):EXW (Ex-Works):** Seller delivers goods at their premises; buyer bears all risks and costs from there.

- **FCA (Free Carrier):** Seller delivers to nominated carrier/person at a named place; risk passes at that point.
- **CPT (Carriage Paid To):** Seller delivers to carrier and pays for carriage to destination; risk transfers to buyer when goods are delivered to the *first* carrier.
- **CIP (Carriage and Insurance Paid To):** Similar to CPT, but seller also contracts for minimum insurance cover against buyer's risk during carriage. Buyer may need to arrange additional insurance if higher coverage is desired.
- **DAP (Delivered At Place):** Seller delivers goods ready for unloading at named destination; seller bears all risks to that point.
- **DPU (Delivered At Place Unloaded):** Seller delivers goods *unloaded* at named destination; seller bears all risks, including unloading. (Replaces DAT).
- **DDP (Delivered Duty Paid):** Seller delivers goods cleared for import, ready for unloading at destination; seller bears all costs and risks, including export and import duties and customs formalities.
- **Rules for sea and inland waterway transport (4 terms):FAS (Free Alongside Ship):** Seller delivers goods alongside the vessel at the named port of shipment; buyer bears all costs and risks from that moment.
- **FOB (Free On Board):** Seller delivers goods on board the vessel at the named port of shipment; buyer bears all costs and risks from that moment.
- **CFR (Cost and Freight):** Seller delivers goods on board the vessel and pays costs/freight to named port of destination; risk passes to buyer when goods are on board the vessel.
- **CIF (Cost, Insurance and Freight):** Similar to CFR, but seller also contracts for minimum insurance cover against buyer's risk during carriage. Buyer may need to arrange additional insurance if higher coverage is desired.

IV. Processing an Export Order

Once an order is received, several steps ensure its successful fulfillment:

- **i. Confirmation of order:** Carefully examine and confirm all details, including "items, specification, payment conditions, packaging, delivery schedule." A formal contract should be entered into.
- **ii. Procurement of Goods:** Immediately procure or manufacture goods "strictly as per buyer's requirement."
- **iii. Quality Control:** Maintain "strict quality conscious about the export goods." Some products require "compulsory pre-shipment inspection," and foreign buyers may demand inspection by their nominated agencies.
- **iv. Finance:** Exporters can obtain "pre-shipment and post-shipment finance from Commercial Banks at concessional interest rates."

- **Packing Credit (Pre-shipment):** Granted against L/C or confirmed order for 180 days to cover working capital needs (raw material, labor, packing, transport). Banks typically advance "75% to 90% advances of the value of the order."
- **Post-shipment finance:** Up to 90% of invoice value for transit period, adjusted by sale proceeds. Maximum period is 180 days from shipment date; overdue bills incur commercial lending rates.
- **v. Labelling, Packaging, Packing and Marking:** Goods must be prepared "strictly as per the buyer’s specific instructions." Proper packaging ensures "top condition and in attractive way," aids handling, reduces costs, and ensures safety. Marking provides "identification and information of cargo packed."

V. Packaging

Packaging is crucial for product protection, presentation, and logistics in international trade.

- **Introduction:** Proper packaging and labelling save money by preventing "wrong handling the export process." Exporters must consider "breakage, moisture, leakage, pilferage, and excessive weight" when designing shipping crates.
- **Benefits of Packaging:Physical Protection:** Against "shock, vibration, temperature, moisture and dust."
- **Containment or agglomeration:** Consolidates small items for efficiency and cost.
- **Marketing:** Attractive packaging can "encourag[e] a potential buyer."
- **Convenience:** Aids "distribution, handling, display, sale, opening, use, and reuse."
- **Security:** Reduces risks, provides "authentication seals," and can include anti-theft devices.
- **Types of Packaging:Boxes and Crates:** Boxes are solid on all sides; crates typically have open sides with solid tops/bottoms.
- **Paperboard boxes:** Lightweight yet strong, made from fibrous materials.
- **Corrugated boxes:** Commonly known as cardboard boxes, varying in durability.
- **Plastic boxes:** Often airtight for food preservation and contamination prevention, durable in extreme conditions.

This briefing highlights the multifaceted nature of international trade, emphasizing regulatory compliance, strategic planning, meticulous execution, and effective risk management.

Q1: How does India categorize goods for import, and what are the implications for importers?

A1: India classifies imported goods into three main categories under the Indian Trade Classification (ITC)-Harmonized System (HS): Restricted, Canalized, and Prohibited. Goods not specified in these categories can be freely imported without restriction, provided the importer holds a valid Import Export Code (IEC) and does not require an import license or permission.

- **Restricted Items**: These goods require an import license from the relevant regional licensing authority before they can be imported. The license specifies how the goods must be disposed of. An import license is valid for 24 months for capital goods and 18 months for all other goods.
- **Canalized Items**: These goods can only be imported through specific procedures or designated canalizing agencies. Examples include petroleum products, bulk agricultural products (like grains and vegetable oils), and some pharmaceutical products.
- **Prohibited Items**: These goods are strictly banned from import into India through any channel. Examples include wild animals, tallow fat and oils of animal origin, animal rennet, and unprocessed ivory.

Q2: What are the different classifications for goods when exporting from India?

A2: Similar to imports, goods can be exported freely from India if they are not listed under specific classifications in the ITC (HS). The export classifications are:

- **Restricted Goods**: Exporting these goods requires a specific license detailing the procedures and conditions for their export.
- **Prohibited Goods**: These items cannot be exported at all, with the majority being wild animals and animal articles that pose a risk of infection.
- **State Trading Enterprise (STE) Goods**: Certain items can only be exported through designated STEs, subject to conditions outlined in the EXIM policy.

Q3: What are Incoterms, and why are they crucial in international trade?

A3: Incoterms (International Commercial Terms) are a set of internationally accepted rules published by the International Chamber of Commerce (ICC) that define the responsibilities of buyers and sellers in international transactions. They are crucial because they clearly specify which party is responsible for tasks, costs, and risks associated with the delivery of goods from the seller's premises to the buyer's destination. Understanding Incoterms is essential for determining the price of export products and negotiating delivery points, as they dictate when the seller's costs and risks transfer to the buyer. These rules apply to various modes of transport, with some terms specific to sea and inland waterway transport, while others cover any mode.

Q4: Can you provide examples of Incoterms for "any mode or modes of transport" and briefly explain them?

A4: There are seven Incoterms applicable to any mode or modes of transport:

- **EXW (Ex-Works)**: The seller makes the goods available at their premises, and the buyer assumes all costs and risks from that point, including loading and export clearance.
- **FCA (Free Carrier)**: The seller delivers the goods to the buyer's nominated carrier at a specified place. Risk transfers to the buyer at this point.
- **CPT (Carriage Paid To)**: The seller pays for the carriage to the named destination. Risk transfers to the buyer when the goods are delivered to the first carrier.

- **CIP (Carriage and Insurance Paid To)**: Similar to CPT, but the seller also contracts for minimum insurance cover against the buyer's risk during carriage.
- **DAP (Delivered At Place)**: The seller delivers when the goods are placed at the buyer's disposal on the arriving transport, ready for unloading at the named destination. The seller bears all risks to this point.
- **DPU (Delivered At Place Unloaded)**: The seller delivers when the goods are unloaded and placed at the buyer's disposal at the named destination. The seller bears all risks, including unloading.
- **DDP (Delivered Duty Paid)**: The seller delivers the goods, cleared for import, on the arriving transport at the named destination. The seller bears all costs and risks, including export and import duties and customs formalities.

Q5: Can you provide examples of Incoterms specifically for "sea and inland waterway transport" and briefly explain them?

A5: There are four Incoterms specifically for sea and inland waterway transport:

- **FAS (Free Alongside Ship)**: The seller delivers when the goods are placed alongside the vessel at the named port of shipment. The buyer bears all costs and risks from that moment.
- **FOB (Free On Board)**: The seller delivers the goods on board the vessel at the named port of shipment. Risk and costs transfer to the buyer once the goods are on board.
- **CFR (Cost and Freight)**: The seller delivers the goods on board the vessel and pays for the costs and freight to bring the goods to the named port of destination. Risk transfers to the buyer once the goods are on board.
- **CIF (Cost, Insurance and Freight)**: Similar to CFR, but the seller also contracts for minimum insurance cover against the buyer's risk during carriage to the named port of destination.

Q6: What steps are involved in processing an export order, from confirmation to financing?

A6: Processing an export order involves several key stages:

- **Confirmation of Order**: Carefully examine the export order for specifications, payment terms, packaging, and delivery schedule, then formalize it with a contract.
- **Procurement of Goods**: Immediately begin acquiring or manufacturing the goods precisely according to the buyer's requirements.
- **Quality Control**: Ensure strict quality control, as some products require compulsory pre-shipment inspection. Foreign buyers may also mandate inspection by their nominated agencies.
- **Finance**: Exporters can access pre-shipment (Packing Credit) and post-shipment finance from commercial banks at concessional interest rates. Packing credit helps cover working capital needs for raw materials, labor, packing, and transport, while post-shipment finance covers the period after shipment until payment realization.

- **Labelling, Packaging, Packing, and Marking**: Label, package, and pack goods strictly according to the buyer's instructions to ensure proper presentation, protection, easy handling, and safety during transit. Markings provide essential identification and information.

Q7: Why is proper packaging critical for international shipping, and what problems does it address?

A7: Proper packaging is critical for international shipping because it contains, protects, and preserves the product, aids in handling, and contributes to its final presentation. It also helps prevent financial losses due to damage or mishandling. When designing shipping crates for international transport, exporters must consider four potential problems:

- **Breakage**: Packaging protects against physical shock and vibration.
- **Moisture**: It safeguards goods from humidity and water damage.
- **Leakage**: Prevents contents from escaping and contamination.
- **Pilferage and Excessive Weight**: Packaging enhances security and helps optimize shipping costs by being efficient yet sturdy.

Beyond protection, packaging also offers benefits like containment (agglomerating small items), marketing (attracting buyers), convenience (for handling, display, use), and security (anti-theft features, authentication seals).

Q8: What are Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) in the Indian context, and why are they important for exporters?

A8: India has signed numerous Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) to facilitate international trade.

- **Free Trade Agreements (FTAs)**: These are comprehensive agreements covering multiple areas of trade and involve deeper commitments between signatory countries. They typically aim for significant tariff elimination across a broader range of goods.
- **Preferential Trade Agreements (PTAs)**: These agreements are generally confined to trade in goods and primarily focus on tariff elimination through a Margin of Preference (MOP). The coverage of goods in a PTA is more limited compared to an FTA.

Knowledge about concessions offered by other nations under these agreements is highly beneficial for Indian exporters. It allows them to leverage these concessions and considerations, potentially gaining a competitive edge by reducing import duties for their buyers or benefiting from reduced tariffs on their own imports.

Export Processes, Documentation, and E-Commerce Trade

Documentation, Merchant Exports, E-commerce, and Freight Forwarders

This briefing document summarizes key themes and essential information from the provided source, focusing on various aspects of international trade, particularly export procedures, different types of packaging, necessary documentation, the concept of merchant exports, the growing role of e-commerce in exports, and the function of freight forwarders.

I. Export Procedures and Key Elements

Exporting involves a structured process to ensure goods reach their destination safely and legally. Several critical elements are highlighted:

- **Packaging:** "Packaging refers to the act of wrapping or bottling products to make them safe from damage during transportation and storage. It keeps a product safe and marketable while also identifying, describing, and promoting it. Packaging also creates a preference for a product."
- **Chipboard packaging:** A "cost-effective packaging option" made of "reclaimed paper stock" and easily cut, folded, and formed, suitable for industries like electronics, medical, food, beverages, and cosmetics.
- **Poly bags:** "One of the most common types of packaging," customizable, cost-effective, durable, lightweight, flexible, and often recyclable. Used for a wide range of products including food, flowers, and chemicals.
- **Bottles and Jars:** Offer "outstanding product protection when they are stacked or transported" and come in materials like glass, plastic, tin, and ceramic, ideal for essential oils, candles, and food.
- **Labelling:** Crucial for product identification, safety, and compliance.
- **Mandatory Information:** Labels must include "Shipper's mark," "Country of origin," "Weight marking (in pounds and in kilograms)," "Number of packages and size of cases (in inches and centimetres)," "Handling marks (international pictorial symbols)," "Cautionary markings, such as 'This Side Up.'," "Port of entry," and "Labels for hazardous materials."
- **Purpose:** Labelling also provides information on "how to use, transport, recycle, or dispose of the package or product." For regulated products (pharmaceuticals, food, medical, chemical), specific government-required information is necessary.
- **Quality and Color:** "Only fast dyes should be used for labelling." "Essential data should be in black and subsidiary data in a less conspicuous colour; red and orange and so on." For food in sacks, only harmless dyes should be used, ensuring they don't affect the goods.

- **Language and Prominence:** Labelling "should be in English, and words indicating country of origin should be as large and as prominent as any other English wording on the package or label."
- **Insurance:** Marine insurance policies cover "risks of loss or damage to the goods during the while the goods are in transit." In CIF contracts, exporters arrange insurance, while in C&F and FOB contracts, buyers obtain it.
- **Delivery:** "The exporter must adhere the delivery schedule." Planning is essential for "fast and efficient delivery."
- **Realization of Export Proceeds:** The importer pays upon receipt of the documentary bill of exchange (sight draft) or accepts the usance draft for future payment. The exporter's bank facilitates payment through the importer's bank.
- **Letter of Credit (L/C):** "An essential document which is guaranteed by the bank in order to honour the buyer purchase order." The buyer's bank issues it to confirm payment to the exporter on the committed date, especially if the buyer is delayed in paying bills.
- **Customs Procedures:BIN and Current Account:** Exporters must obtain a "PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill" and open a current account for drawback amounts, registering it on the system.
- **Shipping Bill/Bill of Export:** Mandatory customs document for export clearance. "An exporter cannot ship the goods unless and until he files the Shipping Bill as it a mandatory document."
- **EDI System:** Declarations are filed electronically through Customs Service Centres. A checklist is generated for verification, leading to a Shipping Bill Number. Most processing is automated.
- **Amendments:** Corrections before shipping bill generation are made at the service centre. Post-generation or after goods reach the Export Dock, amendments require approval from Assistant Commissioner (Exports) or Additional/Joint Commissioner, depending on whether "let export" has been granted.
- **Customs House Agents (CHAs):** Licensed professionals who "facilitate work connected with clearance of cargo from Customs."
- **Documentation:** Mandatory documents for export include:
- Bill of Lading/Airway Bill
- Commercial Invoice cum Packing List (recently merged)
- Shipping Bill/Bill of Export
- Other documents like Certificate of Origin and Inspection Certificate may be required.
- Documents for bank submission after shipment (within 21 days) include Bill of Exchange, L/C (if applicable), Invoice, Packing List, Airway Bill/Bill of Lading, Declaration under Foreign Exchange, Certificate of Origin/GSP, Inspection Certificate (if needed), and any other L/C/buyer/statutory required documents.

II. Essential Export Documents (from India)

Specific documents required for exporting from India, depending on destination and product type, include:

1. **Bill of Lading:** Issued by the carrier, it serves as a contract and receipt, acknowledging goods received in good condition.

- **Commercial Invoice cum Packing List:Commercial Invoice:** "A necessary document in export" submitted to Customs, requiring their signature before shipment.
- **Packing List:** Required for cargo with "more than one product," listing distinct items.

1. **Shipping Bill or Bill of Export:** Customs document issued by ICEGATE, mandatory for export clearance.
2. **Proforma Invoice:** Used for advance payments, detailing product, price, delivery, and payment terms. It's an agreement "on the basis of trust."
3. **Export Order/Purchase Order (PO):** The buyer's confirmation of the order after the Proforma Invoice, specifying goods, cost, currency, and shipping details.
4. **Certificate of Origin (COO):** An affidavit attached to the commercial invoice, stating the country where goods were manufactured. Generated for each item.
5. **Bill of Exchange (BE):** A written order from the exporter instructing the buyer to pay a specified amount.
6. **Letter of Credit:** As described above, a bank guarantee for payment to the exporter.
7. **Inspection/Quality Check:** Importers may request quality investigation before shipment, including product testing and packaging verification. Exporters should provide a quality inspection certificate.
8. **Phyto-sanitary certificates and fumigation certificates:** Demanded by importers for quality checks under international standards, particularly the "Phyto-sanitary certificate is compulsory while shipping agricultural commodities from India."

Compliance with national regulations and guidelines through documentation and certificates is crucial for scaling international business.

III. Merchant Exports / Third-Party Exports

Merchant export is a significant aspect of India's EXIM policy:

- **Definition:** "Merchant Exporter" means "a person engaged in trading activity and exporting or intending to export goods." They "buy goods from the Indian manufacturers and export them abroad" and "may not have their own manufacturing unit or processing facility."
- **Nature of Work:** Merchant exporters "do not produce the goods." They identify suppliers, build a network, and then find overseas buyers through marketing. "The goods bear the name of the merchant exporter and not the original supplier."
- **Contribution:** Instrumental in "boosting of country's exports, especially exports from MSME and small manufacturers."

- **Merchanting Trade Reform (FTP 2023):** Introduced provisions to boost merchanting activities "where goods do not touch Indian border." This means the merchant (based in India) buys from one country and sells to another, aiming to make "India a trade hub."
- **Supporting Manufacturer:** Manufactures goods for a merchant exporter or manufacturer exporter under a specific authorization. For benefits, the names of both the supporting manufacturer and merchant exporter must appear in export documents.

IV. E-commerce Exports

The policy aims to promote cross-border trade of goods and services via digital platforms:

- **Definition:** "Export of goods where selling is through the internet on an e-Commerce platform, the payment for which shall be done through international credit or debit cards, or other authorised electronic payment channels."
- **Necessary Documents for E-commerce:**Identity proof (Aadhar, passport, driving license)
- Business address proof
- International transaction-enabled credit card
- PAN card
- IEC (Import-Export Code)
- Details about export products with photographs
- **Export through Courier Service/Post:** Permitted under Customs Act, 1962. The value limit for exports through courier service is **₹10,00,000 per consignment** (doubled from previous limit).
- **Promotion of E-commerce Exports:Niryat Bandhu Scheme (NBS):** Includes a component for e-commerce promotion, organizing outreach activities/workshops and focusing on "capacity building and skill development."
- **E-Commerce Export Hubs (ECEHs):** Designated areas providing "favourable business infrastructure and facilities for Cross Border E-Commerce activities." They aim for "agglomeration benefits" and may offer storage, packaging, labelling, certification, testing, and dedicated logistics infrastructure. Can handle most goods, including SCOMET and Restricted goods (with compliance).
- **Promotion through Postal Route (Dak Niryat Kendras):** These centers will operate in a "hub-and-spoke model with Foreign Post Offices (FPOs)" to facilitate cross-border e-commerce, especially for artisans, weavers, craftsmen, and MSMEs in inland regions.
- **Way Forward:** The policy is optimistic about e-commerce exports, projecting an annual growth to "$200-300 billion by 2030 from about $5-10 billion at present." All FTP benefits are to be extended to e-commerce exports. An inter-ministerial committee is established to develop guidelines.

V. Freight Forwarders

Freight forwarders are key facilitators in the logistics chain:

- **Introduction:** They "play an important role in the transportation industry by helping companies streamline the process of shipping goods." They help companies "decrease costs and increase operation efficiency."
- **Definition:** "A freight forwarder is a company that serves as an intermediary between transportation companies that import and export goods and the businesses that need them."
- **Role:** They "manage every aspect of the transportation process, from storing goods before shipment to ensuring they make it through customs." They do not physically move the goods but "establish relationships with the companies that do" to plan shipments via "road, rail, water and air."

What are some common types of packaging and their benefits?

The sources mention several common types of packaging, each with distinct advantages. **Chipboard packaging** is a cost-effective option made from reclaimed paper, easily cut and formed, and suitable for industries like electronics, medical, food, beverages, and cosmetics. **Poly bags** are widely used, simple to make, highly customizable, and cost-effective, while also being durable, lightweight, flexible, and often recyclable. **Bottles and jars**, available in materials like glass, plastic, tin, and ceramic, offer excellent product protection during stacking and transportation. Generally, packaging serves to protect products during transit and storage, maintain marketability, and aid in identification, description, and promotion, even influencing product preference.

What is the importance of proper labeling in export and what information should it include?

Proper labeling is crucial in export and requires meticulous attention to detail, adhering to national and international standards. All labeling should be in English, with the country of origin prominently displayed. Key information required on product labels includes the shipper's mark, country of origin, weight (in pounds and kilograms), number of packages and case size (in inches and centimeters), international pictorial handling marks, cautionary markings (e.g., "This Side Up"), port of entry, and specific labels for hazardous materials. Additionally, labeling provides instructions on how to use, transport, recycle, or dispose of the product or package. For certain products like pharmaceuticals, food, medical, and chemical goods, governments mandate specific information. It's essential to use fast dyes for labeling, with essential data in black and subsidiary data in a less conspicuous color. For food packed in sacks, only harmless dyes that won't affect the goods should be used.

What is a "Merchant Exporter" and how do they contribute to a country's exports?

A "Merchant Exporter" is a person or entity engaged in trading activities, specifically buying goods from Indian manufacturers in the Domestic Tariff Area (DTA) and exporting them to overseas customers. Unlike manufacturer-exporters, merchant exporters do not have their own manufacturing facilities. They play a vital role in boosting a country's exports, particularly from MSMEs (Micro, Small, and Medium Enterprises) and small manufacturers, by generating foreign exchange. Their work involves identifying suppliers, building a network of manufacturers, and then finding international buyers through various marketing strategies.

Once an order is received, they arrange for the supplier to provide the goods, which are then shipped under the merchant exporter's name. Governments often introduce schemes and incentives to promote merchant exports due to their significant contribution to the economy.

How is e-commerce promoting cross-border trade from India, and what are the key initiatives supporting it?

E-commerce is a significant channel for cross-border trade from India, allowing the sale of goods and services online with payments processed via international credit/debit cards or other authorized electronic channels. The Directorate General of Foreign Trade (DGFT) aims to provide a framework for this digital trade and projects annual e-commerce exports to grow substantially. Key initiatives include the **Niryat Bandhu Scheme (NBS)**, which has a component for promoting e-commerce through outreach activities, workshops, capacity building, and skill development in partnership with Customs, Department of Post, and industry/knowledge partners. The **creation of E-Commerce Export Hubs (ECEHs)** is another major initiative, aiming to establish designated areas with favorable business infrastructure and facilities for cross-border e-commerce. These hubs provide services like storage (including cold storage), packaging, labeling, certification, testing, and dedicated logistics infrastructure. Additionally, the **promotion of e-commerce exports through the postal route** is facilitated by **Dak Niryat Kendras**, which work in a hub-and-spoke model with Foreign Post Offices to help artisans, weavers, craftsmen, and MSMEs in various regions reach international markets. The value limit for exports through courier service has also been doubled to ₹10 lakhs per consignment.

What are the essential documents required for export from India?

Export from India requires a comprehensive set of documents, which can vary based on the destination country and the type of product. The sources list several mandatory and commonly required documents:

1. **Bill of Lading/Airway Bill**: Issued by the carrier, it serves as a contract and receipt for goods received in good condition, ready for shipment.
2. **Commercial Invoice cum Packing List**: This merged document, required by Customs, includes details for tax assessment and quality control. The commercial invoice is a necessary document submitted to Customs, while the packing list details distinct items when more than one product is in the cargo.
3. **Shipping Bill or Bill of Export**: A mandatory customs document issued by the Indian Customs Electronic Gateway (ICEGATE), required to obtain clearance for exports.
4. **Proforma Invoice**: A preliminary bill used for advance payments, detailing product, price, delivery, and payment terms, acting as an agreement based on trust.
5. **Export Order/Purchase Order**: The buyer's confirmation of the order, specifying goods details, cost, currency, shipping details, and requirements.
6. **Certificate of Origin (COO)**: An affidavit attached to the commercial invoice, providing information about the country where the goods were manufactured, generated for each item.
7. **Bill of Exchange (BE)**: A written order from the exporter instructing the buyer to pay a specified amount.

8. **Letter of Credit**: Issued by the buyer's bank to guarantee payment to the exporter on the committed date, especially if the buyer delays payment.
9. **Inspection/Quality Check Certificate**: Required if the importer requests a quality investigation, verifying product quality, examination, and testing, and potentially packaging parameters.
10. **Phyto-sanitary and Fumigation Certificates**: Demanded for quality checks under international standards, especially the phyto-sanitary certificate for agricultural commodities from India.

Other documents like a Declaration under Foreign Exchange and GSP (Generalized System of Preferences) certificate may also be necessary.

What are E-Commerce Export Hubs (ECEHs) and what is their purpose?

E-Commerce Export Hubs (ECEHs) are designated areas established to act as centers for favorable business infrastructure and facilities specifically for cross-border e-commerce activities. Their objective is to achieve "agglomeration benefits" for e-commerce exporters, meaning they consolidate various services and resources in one location to streamline operations. ECEHs can be set up through private initiative or public-private partnerships. They provide essential facilities such as storage (including cold storage), packaging, labeling, certification & testing, and other common amenities for export purposes. They also offer dedicated logistics infrastructure to connect with and leverage services of nearest logistics hubs. ECEHs are designed to handle a wide range of goods, including SCOMET (Special Chemicals, Organisms, Materials, Equipment, and Technologies) and Restricted goods (subject to compliance), but not prohibited or disallowed items. They may also receive financial assistance under schemes like MAI for export promotion projects including marketing, capacity building, and technological services.

What is the role of Freight Forwarders in international trade?

Freight forwarders play a crucial intermediary role in the transportation industry, helping businesses streamline the process of shipping goods internationally. They act as a liaison between transportation companies (that actually move the goods by road, rail, water, or air) and the businesses that need to import or export. Freight forwarders manage almost every aspect of the transportation process on behalf of their clients, from storing goods before shipment to ensuring they clear customs efficiently. They do not physically move the goods themselves but establish relationships with various carriers to plan and execute each step of a shipment. Their expertise helps companies decrease costs, reduce time consumption, and increase operational efficiency, particularly for manufacturers with bulk shipping needs, by navigating the complexities of international logistics and customs procedures.

What are the customs procedures for exporting goods from India?

Exporting goods from India involves specific customs procedures to ensure legal compliance and smooth clearance. Key steps include:

1. **Obtaining PAN-based Business Identification Number (BIN)**: This is required from Customs before filing the shipping bill for export goods clearance.

2. **Opening and Registering a Current Account**: Exporters must open a current account in a designated bank for crediting any drawback amounts, and this account needs to be registered with the system.

3. **Filing Shipping Bill/Bill of Export**:

- **Non-EDI System**: For non-Electronic Data Interchange (EDI) systems, shipping bills or bills of export must be filled in the format prescribed by the Shipping Bill and Bill of Export (Form) Regulations, 1991. Different forms are required for duty-free goods, dutiable goods, or goods under drawback schemes.

- **EDI System**: Declarations are filed in a prescribed format through Customs Service Centres. A checklist is generated for verification by the exporter/Customs House Agent (CHA). After verification, the data is submitted, and the system generates a Shipping Bill Number. In most cases, the system processes the shipping bill based on declarations without human intervention.

1. **Sample Drawing and Testing**: If the Appraiser Dock (export) orders samples, a Customs Officer may draw two samples and enter details into the ICES/E system for testing.

2. **Corrections/Amendments**:

- Corrections to the checklist before document submission and shipping bill generation can be made at the service center.

- Amendments after shipping bill generation or goods arrival at the Export Dock require permission. If "let export" (permission to load) has not been given, the Assistant Commissioner (Exports) can permit amendments. If "let export" has already been given, permission is required from the Additional/Joint Commissioner, Custom House. After permission, the Assistant Commissioner/Deputy Commissioner (Export) approves the amendments on the system. If a printout of the Shipping Bill has been generated, all copies must be surrendered for cancellation before amendments are approved.

Customs House Agents (CHAs): Exporters can use the services of licensed CHAs, who are professionals that facilitate cargo clearance from Customs.

Cargo Types, and Export Promotion

I. Stages of Freight Forwarding

Freight forwarding involves a systematic process to move goods internationally, encompassing six distinct stages:

1. **Export Haulage:** This initial stage involves "a transportation company [taking] products from a company to the freight forwarders warehouse." The mode of transport (often trucks) and duration (hours to days) vary based on the material and distance.
2. **Export Customs Clearance:** Before goods can leave the country of origin, "customs agents...must approve their departure." This involves checking "both the product and the associated paperwork" for correlation, safety, and legality. Freight forwarders often employ "customs brokers to handle this step."
3. **Items Checkpoint (Origin Handling):** Upon arrival at the freight forwarder's warehouse, the "receiving team unloads the items," inspects them for "damage," and confirms they "match the booking documents." This stage also verifies if the "target location will accept the shipment," as certain items have restrictions, especially for international shipping. These restricted items include:

- **Flammable liquids:** "Gasoline, lighter fluid, acetone and even perfume have strict regulations."
- **Drugs:** "Pharmaceuticals often require climate-controlled transportation methods, and freight forwarders don't ship recreational drugs."
- **Alcohol:** "Alcohol laws vary by state and country, so freight forwarders have specific regulations."
- **Dangerous items:** "Products such as knives and other sharp objects can present a risk."
- **Perishable items:** "Fresh food and other perishables require express shipment."

1. **Import Customs Clearance:** Upon reaching the destination country, "authorities check the paperwork...to confirm that it matches the product" and ensures it "meets the legal requirements for entry." Import customs agents may "impose fees, which the freight forwarder covers for the shipper and bills them for later."
2. **Destination Arrival and Handling:** After import customs, a transportation company prepares the product for final delivery. They receive and verify crucial "paperwork for the shipment," including invoices, Bill of Lading, export packing lists, certificates of origin, and inspection certificates. Following an inspection, the product is loaded for transport to the import warehouse.

3. **Import Haulage:** The final stage, "import haulage," is when the "product arrives at the final destination from the import warehouse." Similar to export haulage, transport mode and duration depend on the product and distance, with recipients typically receiving shipments "anywhere from hours after it leaves the warehouse to a few days later."

II. Containerised and Non-Containerised Cargo

Containers are essential "storage units used to move products from one location to another without damaging them or other products within the consignment." They are "reusable" and "can withstand the challenges posed during the transit," significantly reducing transportation costs and impacting "the globalization of trade and businesses."

The document details numerous types of containers, each designed for specific cargo requirements:

- **Dry Cargo Shipping Containers:** These are "normally airtight, effectively preventing any outside element from damaging the goods." They are "completely sealed off and water resistant" and used for "almost all dry goods, boxes, pallets, sacks, barrels etc." They adhere to ISO standards and are designed for intermodal transfer (trucks, ships, trains). Common sizes are 20', 40', and occasionally 45'. They are "less expensive" due to a lack of special requirements.
- **Open Top Containers:** Manufactured primarily in steel with wood floors, these are used for "over height or over lengthy cargo or both." They facilitate "easy packing and unpacking by crane or crab" and have removable "end doors" and a removable "metal beam" for flexible loading. The top is covered with a "removable, weatherproof tarpaulin."
- **High Cube Containers:** Similar to standard containers but "taller" (approx. 2896mm vs. 2591mm for standard). Commonly 40' long, they are ideal for "over height cargo up to that level" and for "light weight cargo, whose volume high."
- **Refrigerated Containers (Reefer Containers):** These have a "refrigeration unit" for "temperature-sensitive cargo such as vegetables, fruits, meat, dairy products etc." They can control temperatures "up to 25 degree Celsius (plus or minus)," with "super-freeze reefers" reaching as low as -60 degrees C. Some feature water cooling systems for poor ventilation areas.
- **Garments on Hanger Container (GOH container/Hangtainers):** Available in 20' and 40', these containers have "arrangements to use string or bar or combination of string and bar" for hanging garments. They offer "flexible, greater loading capacity and minimizing transportation and handling costs" for apparel exporters.
- **Open Side Container:** Features "two sets of double door at the lengthy side," allowing the "entire length of the container with complete access for loading and unloading." The side doors are made of flat steel panels for frequent use and have robust security. They maximize space utilization and facilitate "faster stuffing and de stuffing."
- **Double Door Containers (Tunnel Containers/Tunnel-tainer):** These are "modified version of the Standard General Purpose Containers with doors at both short ends." They allow "quick loading, unloading, and sorting of goods" and can be repurposed into general-purpose dry containers.

- **Tanker Container:** Made of stainless steel with protective layers, these are used for "liquid products, powders and gas both hazardous and non hazardous products." Capacities range from "27000 liters to 40000 liters." They adhere to ISO standards and feature air net inlet valves, multiple closures for leakage prevention, pressure relief valves, heating systems for heat-sensitive products, and clear identification numbers.
- **Half Height Containers:** Designed for "movement of heavy goods with low volume cargo by rail and Sea." They are also used for "vehicles, over height goods, pipes, tools and other equipment," as well as "gravel, sand etc. locally."
- **Ventilated Containers (Coffee Containers/Natural Ventilated Containers/Passive Ventilated Containers):** Feature "openings in bottom and top side of rails" for ventilation, protected from rain. They are primarily used for "cargo which needs ventilation," such as "Green Coffee beans, Cocoa beans and other organic goods with high moisture contents."
- **Car Carrier Containers:** Used to "move cars by road and rail," and occasionally by sea, though "RORO (Role on Roll Off) shipping arrangements" are generally more cost-effective for sea transport of automobiles.
- **Hard Top Containers:** These have "a removable steel roof" and a door header that "may be swiveled out," enabling "very easy" packing, unpacking, loading, and unloading.
- **Insulated Containers:** Protect goods (e.g., "pharmaceuticals, chemicals, foods") from external temperature fluctuations, helping to "maintain consistent internal temperature up to some extent." They also prevent "rainwater getting inside" and minimize condensation.
- **Tunnel Containers (Double Enders Container/Double End Door Container):** Similar to Double Door Containers, with "eight feet ends at both sides which looks like a tunnel when both sets of doors are open." They offer easy "stuffing and de stuffing" from both ends and allow for internal partitions.
- **Platform Containers:** Lacking "sides, ends and roof," these resemble a pallet and are made of steel and hardwood. They are used for "heavy weight on small areas" and "odd sized cargo" like "machinery, oil and gas equipment and other heavy weight equipment." They comply with ISO standards and have lashing rings and fork pocket holes for handling.
- **Flat Track Containers:** Made of steel with softwood flooring, these have "fixed or collapsible walls." They are suitable when "goods are to be loaded from the top or sides of the container," typically for "machineries, pipes, timber, steel etc." They require "proper lashing of cargo" and have numerous lashing rings.

Non-Containerised Cargo (NCC): Also known as **break bulk**, refers to "goods shipped in pieces separately without the use of a container." These goods are transported in "crates, bags, boxes, drums, barrels" and are often "extremely large in sizes/dimensions."

III. Organisations Associated with Export Promotion

Government organizations play a crucial role in facilitating export and import activities.

- **DGFT (Directorate General of Foreign Trade):** An "attached office of the Ministry of Commerce and Industry," headed by the Director General of Foreign Trade. Initially involved in trade "regulation and promotion," its role shifted to that of a "facilitator" post-1991 liberalization, focusing on "promotion and facilitation of exports/imports."
- **Key Roles and Functions of DGFT:**"Implementation of EXIM Policy / Foreign Trade Policy."
- "Implement of Foreign Trade Procedures."
- "Issues IEC Code to Exporters and Importers."
- "Document and Maintain Classifications ITC-HS Code."
- "Provides Platform for updating e-BRC."
- "Provides Information about the Export Policy Schedule."
- "Grant Export Licenses to Restricted Items."
- The DGFT also has the authority "under the FTDR Act [to notify] various restrictions or quota or conditions on import of goods into India," which may necessitate licenses or registrations.

What are the main stages involved in freight forwarding for international shipments?

Freight forwarding encompasses a systematic six-stage process. It begins with **Export Haulage**, where goods are transported from the company to the freight forwarder's warehouse, typically by truck. Next is **Export Customs Clearance**, where customs agents in the origin country approve the goods' departure, verifying products and paperwork for safety and legality. The third stage is **Items Checkpoint (Origin Handling)**, involving unloading, inspection for damage, verification against booking documents, and ensuring the destination country's acceptance, especially for restricted items like flammable liquids, drugs, alcohol, dangerous items, and perishables. Following this, **Import Customs Clearance** occurs at the destination country, where authorities check paperwork and product legality, sometimes imposing fees covered by the freight forwarder. The fifth stage is **Destination Arrival and Handling**, where a transportation company prepares the cleared shipment for final delivery, handling necessary documents like invoices and bills of lading. Finally, **Import Haulage** is the last step, transporting the product from the import warehouse to its ultimate destination, with the mode of transport depending on the product and distance.

What is the fundamental difference between containerized and non-containerized cargo?

Containerized cargo refers to goods shipped inside standardized, reusable storage units known as containers. These containers are designed to protect products during transit and facilitate efficient movement across different modes of transportation (trucks, ships, trains). Their introduction significantly reduced transportation costs and boosted global trade. In contrast, **Non-Containerized Cargo (NCC)**, also known as break bulk, involves goods shipped individually in pieces, not within a container. These items are typically transported in crates, bags, boxes, drums, or barrels, and are often extremely large or irregularly shaped, making them unsuitable for standard containers.

What are some common types of dry cargo shipping containers and their primary uses?

Dry cargo shipping containers are airtight and water-resistant, primarily used for most dry goods, boxes, pallets, sacks, and barrels in both domestic and international trade.

- **Standard Dry Containers** (20', 40', and occasionally 45') are the most common type, manufactured to ISO standards for seamless transfer between trucks, ships, and trains. They are suitable for general cargo and are less expensive due to their lack of special requirements.
- **Open Top Containers** are used for over-height or over-length cargo like machinery, timber, steel, or scrap metals. Their removable tarpaulin roof and end doors allow for easy loading and unloading by crane.
- **High Cube Containers** are similar to standard dry containers but are taller (2896mm/9ft 6in) to accommodate over-height or high-volume, lightweight cargo. They are commonly available in 40' lengths.

How do specialized containers address specific cargo requirements, such as temperature control or delicate items?

Specialized containers are designed to meet diverse and specific cargo needs:

- **Refrigerated Containers (Reefer Containers)** are equipped with electrical power supply for refrigeration units, enabling precise temperature control (from +25°C to -25°C, or even -60°C for super-freeze units). They are essential for transporting temperature-sensitive goods like vegetables, fruits, meat, and dairy products.
- **Garments on Hanger (GOH) Containers**, also known as hangtainers, are specifically designed for apparel exporters. They feature internal arrangements with strings, bars, racks, and poles to hang garments directly, minimizing handling, creasing, and transportation costs. They can be configured as dry or reefer GOH containers.
- **Insulated Containers** are designed with special walls to protect goods like pharmaceuticals, chemicals, and foods from extreme external temperatures, maintaining a more consistent internal temperature and also preventing rainwater and minimizing condensation.

What container types are designed for easier loading and unloading of oversized or numerous items?

Several container types are engineered to facilitate the loading and unloading of challenging cargo:

- **Open Side Containers** feature two or even three sets of double doors along their lengthy side, allowing the entire length of the container to open. This provides complete access for loading and unloading oversized equipment and enables faster stuffing, de-stuffing, and easier sorting of goods without offloading all items.
- **Double Door Containers** (also called Tunnel Containers or Tunnel-tainers) have doors at both short ends. When both sets of doors are open, they resemble a tunnel, making quick loading, unloading, and sorting of numerous small packages very efficient, as cargo can be accessed from either end.

- **Hard Top Containers** are equipped with a removable steel roof and a door header that can be swiveled out. These features significantly ease the packing and unpacking of cargo, especially when loading from the top.
- **Flat Rack Containers** have no fixed sides or roof, and sometimes collapsible ends. This flat platform design allows goods to be loaded from the top or sides, making them ideal for heavy machinery, pipes, timber, steel, and other odd-sized or heavy-weight cargo that cannot be easily loaded through conventional container doors.

What are some unique container types for specialized cargo, and what products do they typically carry?

Beyond standard and temperature-controlled options, several containers cater to highly specific cargo:

- **Tanker Containers (ISO Tank Containers)** are primarily used to transport liquid products, powders, and gases, including both hazardous and non-hazardous materials. Made of stainless steel with protective layers, they feature pressure relief valves, heating systems, and sophisticated safety mechanisms for products ranging from 27,000 to 40,000 liters.
- **Half Height Containers** are designed for the movement of heavy goods with low volume cargo by rail and sea, such as gravel, sand, pipes, tools, other equipment, and even vehicles. They are shorter than standard containers but robust, often featuring certified slings and internal tie-down points for security.
- **Ventilated Containers (Coffee Containers)** have special openings in their bottom and top side rails to provide natural ventilation while protecting against rain. They are specifically used for cargo that requires airflow to prevent spoilage, such as green coffee beans, cocoa beans, and other organic goods with high moisture content.
- **Car Carrier Containers** are used to move cars primarily by road and rail, though occasionally by sea, typically as an alternative to RORO (Roll-on/Roll-off) shipping arrangements.

What is the role of the Directorate General of Foreign Trade (DGFT) in India's export and import landscape?

The Directorate General of Foreign Trade (DGFT) is a key organization attached to the Ministry of Commerce and Industry in India, headed by the Director General of Foreign Trade. Historically involved in regulating and promoting foreign trade, its role shifted significantly after 1991's economic liberalization to become a **"facilitator"** rather than a prohibitor or controller. Its main objective is to **formulate and implement India's Foreign Trade Policy**, actively promoting the nation's exports while considering national interests. DGFT issues necessary scrips and authorizations to exporters, monitors their obligations, and notifies restrictions or conditions on imports under the FTDR Act, often requiring licenses or registrations. Key functions include implementing foreign trade policies and procedures, issuing IEC (Importer Exporter Code) to businesses, maintaining ITC-HS Code classifications, providing platforms for e-BRC updates, offering information on export policy schedules, and granting export licenses for restricted items.

What documentation is commonly handled by freight forwarders during the destination arrival and handling phase of a shipment?

During the destination arrival and handling phase, after a shipment has cleared import customs, freight forwarders arrange for a transportation company to prepare the product for its final journey. This involves handling a critical set of documents to ensure smooth and legal transit. The paperwork commonly includes:

- **Invoices**: Detailed bills for the goods and services rendered.
- **Bill of Lading certificate**: A legal document issued by a carrier to a shipper, detailing the type, quantity, and destination of goods being shipped. It also serves as a receipt of shipment and a contract for delivery.
- **Export packing list, license, and declaration document**: Comprehensive lists of items packed, alongside necessary export permits and declarations for customs.
- **Certificate of origin**: A document declaring the country or territory where a commodity or good was manufactured.
- **Inspection certificate**: A document certifying that the goods have been inspected and meet specified quality and quantity standards.

Indian Export Promotion Agencies and Councils

Ecosystem

1. Core Objectives of Foreign Trade and Commerce

The overarching objectives for India's foreign trade and commerce are clearly stated:

"Promote Trade with Foreign Borders"

"Regulate Transit of Goods"

"Other activities related to Foreign Trade & Commerce"

These objectives underscore a dual focus on both expanding international trade and ensuring its orderly and compliant execution.

2. Key Players and Their Roles in Export Promotion

India's export promotion ecosystem is multi-faceted, involving specialized councils, government-owned corporations, and regulatory bodies.

2.1 Export Promotion Councils (EPCs) and Commodity Boards

The Export Promotion Councils (EPCs) are fundamental to India's export strategy. They are "organisations of exporters, registered as non-profit organizations" and are guided by the Foreign Trade Policy 2023, which also recognizes them "as registering authorities for exporters." Currently, there are "27 Export promotion councils and 9 commodities boards" under the Department of Commerce.

Key Roles of EPCs: EPCs play a crucial role in empowering exporters by:

Encouraging participation in workshops: These workshops cover vital topics such as "documentation, understanding of commercial terms, designing business plans, and understanding finances."

Providing platforms for solutions and advice: They serve as "excellent platforms for exporters to find solutions and advice on their business and financial needs."

Offering one-to-one financial guidance: Exporters can also engage in "One-to-one correspondence with the EPCs to seek financial guidance."

Examples of Diverse Product Jurisdictions (Illustrative, not exhaustive):

Apparel Export Promotion Council: Specializes in "Readymade garments."

Basic Chemicals, Pharmaceuticals & Cosmetics EPC (CHEMEXCIL): Covers a wide array including "Dyes, Dye-Intermediates," "Cosmetics and Toiletries," and "Castor Oil & it's derivatives."

CAPEXIL: Encompasses varied products such as "Animal By-products," "Automobile Tyres & Tube," "Books, Publishing & Printing," "Bulk Minerals & Ores," and "Granites, Natural Stones & Explosives."

EEPC INDIA (Engineering Export Promotion Council): Focuses on "Machineries and equipments," "Motor Vehicles," "Automobile Components," "Medical, Surgical and Other Instruments," and "Prime Iron & Steel and Products Thereof."

Electronics & Computer Software EPC: Deals with "Electronics Hardware," "Consumer electronics," "Electronic components," "Computer hardware," and "Computer software, IT/ITes software services, BPO/KPO etc."

Gem & Jewellery Export Promotion Council (GJEPC): Covers "Polished & Processed Pearls," "Cut & Polished Diamonds," "Jewellery containing gold, silver, platinum, or palladium," and "Costume/Fashion Jewellery."

Pharmaceuticals Export Promotion Council: Handles "Bulk Drugs and its intermediates," "Formulations," "Herbal," "Ayurvedic, Unani, Homeopathic medicines," and "Biotech & biological products."

Plastics Export Promotion Council: Encompasses "All plastics products covering plastic raw materials," "plastic packaging materials," "plastic consumer items," and specialized products like "Intraocular Lenses" and "Disposable Syringes."

Services Export Promotion Council (SEPC): Crucially, it promotes export of services including "Accounting /Auditing and Book Keeping Services," "Consultancy Services," "Educational Services," "Healthcare Services," "Hotel And Tourism Services," and "Legal Services."

Agricultural and Processed Food Products Export Development Authority (APEDA): Covers "Fruits, Vegetable and their products," "Meat and meat products," "Dairy products," "Honey, jiggery and sugar products," and "Cereals and cereals products."

2.2 ECGC Limited (Export Credit Guarantee Corporation of India Ltd.)

A "wholly owned by Government of India" entity, ECGC was "set up in 1957 with the objective of promoting exports from the country by providing credit risk insurance and related services for exports."

Key Services of ECGC:

Credit Risk Insurance: Provides "a range of insurance covers to Indian exporters against the risk of non – realization of export proceeds due to commercial or political risks."

Credit Insurance to Banks: Offers "different types of credit insurance covers to banks and other financial institutions to enable them to extend credit facilities to exporters."

Export Factoring Facility for MSME: A financial package for the MSME sector, including "working capital financing, credit risk protection, maintenance of sales ledger and collection of export receivables from the buyer located in overseas country."

2.3 India Trade Promotion Organization (ITPO)

ITPO is described as the "premier trade promotion agency of India," acting as a "catalyst for growth of India's trade."

Main Corporate Objectives of ITPO:

Promote Trade: Organizes and participates in "international trade fairs in India and abroad," conducts "buyer-seller meets and contact promotion programmes abroad," and undertakes "overseas market surveys."

Support SMEs: Aims to "support and assist small and medium enterprises to access markets both in India and abroad."

Disseminate Trade Information: Facilitates "E-commerce/trade" and "disseminate trade information."

Develop Infrastructure: Focuses on developing "quality physical infrastructure, services and management so as to enable holding of trade promotion events."

Involve Stakeholders: Seeks "involvement and support of the State Governments, other government trade promotion agencies, trade and industry associations."

2.4 Trading Corporations (MMTC, PEC, STC)

These government-owned corporations primarily engage in trade, often acting as canalizing agencies for specific commodities.

MMTC (Minerals and Metals Trading Corporation) Limited: Incorporated in 1963, it initially regulated "International trade of Minerals and Metals." It has since diversified into "Agro Commodities, Fertilizers, Precious Metals, Coal." MMTC also functions as "one of the Nominated Agency for Import of Gold & Silver and Urea."

PEC Limited (formerly – The Project and Equipment Corporation of India Ltd.): Carved out in 1971-72, its main functions include "export of projects, engineering equipment and manufactured goods, defence equipment & stores," and "import of industrial raw materials, bullion and agro commodities." It also aims for "diversification in export of non-engineering items eg. Coal and coke, iron ore, edible oils, steel scraps."

State Trading Corporation of India Limited (STC): Established in 1956 to undertake trade with East European countries and supplement private efforts. It "arranged imports of essential items of mass consumption (such as wheat, pulses, sugar, edible oils, etc.) and industrial raw materials into India and also contributed significantly in developing exports of a large number of items from India."

3. Regulatory and Standard-Setting Bodies

Ensuring quality and reliable trade relies on strong regulatory and statistical frameworks.

3.1 Bureau of Indian Standards (BIS)

BIS is the "National Standard Body of India" established under the BIS Act 2016. Its core purpose is the "harmonious development of the activities of standardization, marking and quality certification of goods."

Benefits and Activities of BIS:

Economic Benefits: Provides "traceability and tangibility benefits to the national economy" by ensuring "safe reliable quality goods," "minimizing health hazards to consumers," and "promoting exports and imports substitute."

Key Activities: These include "Standards Formulation," "Product Certification Scheme," "Compulsory Registration Scheme," "Foreign Manufacturers Certification Scheme," "Hall Marking Scheme," "Laboratory Services," and "Consumer Affairs Activities."

3.2 Export Inspection Council of India (EIC)

The EIC is the "official export –certification body of India which ensures quality and safety of products exported from India." It was established under the Export (Quality Control and Inspection) Act, 1963.

Role of EIC: Its primary role is to "ensure that products notified under the Export (Quality Control and Inspection) Act 1963 are meeting the requirements of the importing countries in respect of their quality and safety." EIC provides "mandatory certification for various Food items" (e.g., fish, dairy, meat, honey) and "voluntary" certification for other food and non-food products.

3.3 Directorate General of Commercial Intelligence and Statistics (DGCI&S)

DGCI&S is the "pioneer official organization for collection, compilation and dissemination of India's Trade Statistics and Commercial Information." Located in Kolkata, it is "entrusted with the work of collecting, compiling and publishing/disseminating trade statistics and various types of commercial information required by the policy makers, researchers, importers, exporters, traders as well as overseas buyers." It is ISO certified (9001:2015) for its compilation and dissemination of foreign trade statistics.

Data Collection: DGCI&S receives "basic data for both export and import of goods in the form of DTRs (Daily Trade Returns) from different Customs formations and the Special Economic Zones (SEZs)."

4. Specialized Skill Development and Design

Footwear Design & Development Institute (FDDI): Established in 1986, FDDI's objective is to "provide skilled manpower to the leather industry." It has been conferred the status of "Institution of National Importance" in 2017.

Conclusion

India's foreign trade strategy is supported by a comprehensive network of organizations. Export Promotion Councils and Commodity Boards actively facilitate trade for specific product categories through workshops and direct guidance. Financial and risk mitigation support is provided by ECGC Ltd. Trade promotion and infrastructure development are spearheaded by ITPO. Specialized trading corporations like MMTC, PEC, and STC manage specific commodity trade. Finally, regulatory bodies like BIS and EIC ensure product quality and standards, while DGCI&S provides vital trade statistics, all contributing to a robust and regulated international trade environment.

What are Export Promotion Councils (EPCs) and what is their primary role?

Export Promotion Councils (EPCs) are non-profit organizations for exporters, registered under relevant acts. Their main role, guided by the Foreign Trade Policy, is to act as registering authorities for exporters. They also significantly promote exports by organizing workshops on various topics like documentation, commercial terms, business planning, and financial guidance, serving as platforms for exporters to find solutions and advice for their business and financial needs. There are currently 27 EPCs and 9 commodity boards under the Department of Commerce, each specializing in different product categories.

Can you give examples of the diverse range of products and services covered by Export Promotion Councils?

The EPCs cover a vast array of products and services. For instance, the Apparel Export Promotion Council focuses on readymade garments, while CHEMEXCIL handles chemicals, pharmaceuticals, and cosmetics. CAPEXIL covers an even broader scope, including animal by-products, automobile tires, books, minerals, cement, and even miscellaneous items like fireworks and superphosphates. The Council for Leather Exports deals with leather products, and EEPC INDIA (Engineering Export Promotion Council) focuses on machinery, vehicles, and engineering products. Beyond physical goods, the Services Export Promotion Council (SEPC) covers services like accounting, advertising, architectural, consultancy, educational, and healthcare services, among many others. This extensive list demonstrates the comprehensive reach of these councils across various sectors of the economy.

How does ECGC Limited support Indian exporters?

ECGC Limited, a Government of India-owned entity, was established in 1957 to promote exports by providing crucial credit risk insurance and related services. It offers Indian exporters insurance covers against the risk of not receiving export proceeds due to commercial or political risks. Additionally, ECGC provides various credit insurance covers to banks and financial institutions, enabling them to extend credit facilities to exporters. For the MSME sector, it offers Export Factoring, a comprehensive financial product that includes working capital financing, credit risk protection, sales ledger maintenance, and collection of export receivables from overseas buyers.

What is the role of the India Trade Promotion Organisation (ITPO)?

The India Trade Promotion Organisation (ITPO) is the leading trade promotion agency in India. Its main objectives include promoting India's external and domestic trade cost-effectively by organizing and participating in international trade fairs both in India and abroad. ITPO also facilitates buyer-seller meets and contact promotion programs, conducts overseas market surveys, and coordinates visits of business delegations. It supports small and medium enterprises in accessing markets, disseminates trade information, and facilitates e-commerce. Furthermore, ITPO develops quality physical infrastructure for trade promotion events and enlists the support of state governments and other trade promotion agencies.

What is the function of the Directorate General of Commercial Intelligence and Statistics (DGCI&S)?

The Directorate General of Commercial Intelligence and Statistics (DGCI&S), located in Kolkata, is the pioneering official organization responsible for the collection, compilation, and dissemination of India’s trade statistics and commercial information. Headed by a Director General, this directorate collects basic export and import data in the form of Daily Trade Returns (DTRs) from customs formations and Special Economic Zones (SEZs). These DTRs are transmitted through electronic data interchange (EDI), non-EDI, and manual modes. DGCI&S serves as a nodal agency for export and import data, providing essential information to policymakers, researchers, importers, exporters, traders, and overseas buyers, and is ISO certified for its data compilation and dissemination processes.

How do government-owned trading corporations like MMTC and PEC Limited contribute to India's trade?

Government-owned trading corporations like MMTC Limited and PEC Limited play significant roles in India's international trade. MMTC, established in 1963, primarily regulated international trade in minerals and metals but has diversified into agro commodities, fertilizers, precious metals, and coal. It acts as a canalizing agency for various ores and a nominated agency for importing gold, silver, and urea. PEC Ltd., carved out of STC, focuses on exporting projects, engineering equipment, manufactured goods, and defense items, as well as importing industrial raw materials and agro commodities. Both contribute by regulating trade, diversifying portfolios, and exploring new markets and products, including structuring counter-trade and special trading arrangements.

What is the purpose of the Export Inspection Council of India (EIC) and the Bureau of Indian Standards (BIS)?

The Export Inspection Council (EIC) and the Bureau of Indian Standards (BIS) are critical for ensuring quality and safety in India's trade. The EIC, established under the Export (Quality Control and Inspection) Act, 1963, is India's official export-certification body. Its role is to ensure that products notified under the Act meet the quality and safety requirements of importing countries. It provides mandatory certification for various food items like fish, dairy, meat, and honey, and voluntary certification for other food and non-food products. BIS, as the National Standard Body, focuses on the harmonious development of standardization, marking, and quality certification of goods. It aims to provide safe, reliable, quality goods, minimize health hazards, promote exports, and control variety proliferation through its extensive activities, including standards formulation, various certification schemes (product, compulsory registration, foreign manufacturers), hallmarking, laboratory services, and consumer affairs.

Beyond specific products, what other types of organizations support India's trade?

Beyond product-specific councils and corporations, several other organizations support India's trade ecosystem. The State Trading Corporation of India Limited (STC), for example, was established to undertake trade with East European countries and supplement private sector efforts in developing exports, importing essential items and raw materials, and developing exports of various goods. The Footwear Design & Development Institute (FDDI) focuses on providing skilled manpower to the leather industry, recognized as an "Institution of National Importance." These organizations, along with the detailed commodity boards (like Coffee Board, Coir Board, Spices Board, Tea Board, Tobacco Board, Agricultural and Processed Food Products Export Development Authority (APEDA), Coconut Development Board, and Marine Products Export Development Authority (MPEDA)), contribute to the overall promotion, regulation, quality assurance, and infrastructural support for India's diverse trade activities.

Institutions and Policies for India's Global Trade

Indian Trade & Manufacturing Ecosystem

I. Key Institutions Supporting Indian Trade and Industry

Several specialized institutes and organizations play a crucial role in developing and regulating India's trade and industrial sectors, providing education, research, certification, and policy support.

- **Footwear Design & Development Institute (FDDI):** Focuses on professional programs in "Footwear Design & Production Management, Creative Designing CAD/CAM, Fashion Merchandizing & Retail Management, Leather goods & Accessories Design, Fashion Design and Business management," aiming to provide skilled professionals to the industry. (p. 58)
- **Indian Institute of Packaging (IIP):** Engages in "testing and certification of packaging materials and packages, training and education, consultancy services and R&D activities related to packaging," including mandatory UN Certification for hazardous goods. (p. 58)
- **Indian Diamond Institute (IDI):** Established in 1978, its objective is "imparting education in the field of Gem & Jewellery sector including Diamond Manufacturing aspects and thereby enhancing the quality, design and global competitiveness of the Indian Jewellery." It is sponsored by the Department of Commerce and GJEPC. (p. 58)
- **Indian Institute of Foreign Trade (IIFT):** A "Deemed to be University" established in 1963, IIFT is an autonomous body under the Ministry of Commerce & Industry. It has "contributed significantly towards the external trade sector of India through policy research and skill-building over the past six decades" and is consistently ranked among the top 10 B-Schools. Its mission is "to be an Academic Center of Excellence in International Business research, training and education." (p. 58-59)
- **Plant Quarantine Information System (PQIS):** Aims "To prevent the entry, establishment and spread of exotic pests in India" and "To facilitate export certification of plants and plant products for safe global trade." Its vision includes "Dynamic quarantine programmes to protect our plant life and environment" and "Sustained quality export certification to allow our competitiveness in the global trade in agriculture." (p. 59)
- **Animal Quarantine & Certification Services (AQCS):** Crucial for "prevent[ing] the ingress of dangerous exotic diseases into the country through imported livestock and livestock products." Its mission is "National Health Security: Protection of Indian animal and human population from exotic diseases through effective check on import and to ensure qualitative export." Objectives include preventing exotic disease ingress, acting as a defense force against such diseases, and providing "internationally accepted certification service for augmenting export." (p. 59-60)

II. Government Initiatives for Economic Growth and Manufacturing

The Indian government has implemented numerous policies and schemes to boost economic activity, promote exports, attract investment, and enhance manufacturing capabilities.

- **Special Economic Zones (SEZs):** Building on the legacy of Export Processing Zones (EPZs) established since 1965, the SEZ Policy was announced in April 2000. SEZs are designed as "an engine for economic growth supported by quality infrastructure and complemented by an attractive fiscal package, both at the Centre and the State level, with a user-friendly regulatory framework." (p. 61)
- **Main Objectives:**"Generation of additional economic activity"
- "Promotion of exports of goods and services"
- "Promotion of investment from domestic and foreign sources"
- "Creation of employment opportunities"
- "Development of infrastructure facilities" (p. 61)
- **Export Oriented Units (EOUs):** Introduced in 1981 as a complementary scheme to EPZs, EOUs allow units to "export their entire production of goods and services, except permissible sales in the DTA." They function under the administrative control of the Development Commissioner of the Special Economic Zone. (p. 61)
- **Manufacturing/Producing Exports:** The manufacturing industry contributed 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest-growing sectors. (p. 61)
- **Government Policies and Schemes:National Manufacturing Policy:** Aims to "increase the share of manufacturing in GDP to 25 percent by 2025." (p. 62)
- **"Make in India" Policy:** Launched on September 25, 2014, to "facilitate investment, foster innovation, build best in class infrastructure and make India a hub for manufacturing, design and innovation." It promotes India's manufacturing domain globally. (p. 62)
- **Production-linked Incentive (PLI) Scheme:** Launched to "develop 13 sectors on par with global manufacturing standards" (to be implemented from 2022). It has been announced for 14 key sectors with an outlay of Rs. 1.97 lakh crore "to enhance India's manufacturing capabilities and Exports." (p. 62, 64)
- **Ease of Doing Business:** Focuses on "Simplifying, Rationalizing, Digitizing and Decriminalizing Government to Business and Citizen Interfaces across Ministries/States/UTs." (p. 63)
- **National Single Window System (NSWS):** Soft-launched on September 22, 2021, its objective is to provide "end to end" facilitation and support to investors, including pre-investment advisory, land bank information, and clearance facilitation. (p. 63)
- **PM Gati Shakti National Master Plan (NMP):** A GIS-based platform launched in October 2021, it is a "transformative approach to facilitate data-based decisions related to integrated planning of multimodal infrastructure, thereby reducing logistics cost." (p. 63)

- **National Logistics Policy (NLP):** Launched on September 17, 2022, it "aims to lower the cost of logistics and lead it to par with other developed countries," boosting economic growth and making Indian products more competitive. (p. 64)
- **Udyami Bharat Scheme:** Reflects commitment to empowering MSMEs, with initiatives like MUDRA Yojana and Emergency Credit Line Guarantee Scheme. The "Raising and Accelerating MSME Performance (RAMP) scheme" with an outlay of Rs 6000 crore aims to scale up MSME support. (p. 64)
- **PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks:** Seven parks are being set up with a total outlay of Rs. 4,445 crore to create world-class industrial infrastructure for the textiles sector, promoting an integrated textile value chain. (p. 64)

III. Export Finance and Logistics

Successful exporting requires strategic financial planning and efficient logistical management.

- **Export Finance:** Refers to financial products and services for exporters, including "export credit insurance, export loans, and trade finance services such as letters of credit." Its goal is to "help companies manage the risks and costs associated with exporting, and to provide them with the funding they need to grow their export business." (p. 64-65)
- **Government Benefits:** Include "advance authorization scheme" (waiving import duty for export inputs), "duty drawback schemes" (refunding duties/taxes), "zero-duty export promotion capital goods scheme," and "post-export EPCG Duty Credit Scrip Scheme." (p. 65)
- **Providers:** "The Export-Import (Exim) Bank of India" offers various products like "buyer's credit, corporate banking products, lines of credit, project-based finance." Other banks (nationalized, private, foreign, regional rural, cooperative) provide pre-shipment, post-shipment finance, and foreign currency loans. (p. 65)
- **Precautions:** Exporters must check terms and conditions of government benefits, ensure financial feasibility of orders, and avoid applying for finance beyond repayment capacity to maintain credibility. (p. 65)
- **Export Logistics Process:** This encompasses the "entire supply chain channel which includes streamlining of order handling, transportation, inventory management and handling, storage, packaging, and clearing of the export goods." (p. 66)
- **Key Steps/Considerations:**Deciding mode of shipping and selecting an "ocean freight forwarder" to manage transport.
- Arranging a "customs clearance agent" to ensure compliance.
- Choosing appropriate container shipping methods (e.g., Full Container Load (FCL) vs. Less than Container Load (LCL)).
- Ensuring "export-ready" packaging with necessary marking and labelling, and having an "export packing list." (p. 66)
- **Documentation:** A flow of documents is involved, including "Commercial invoice, Dock receipt, Bill of lading, Certificate of origin, Warehouse receipt, Inspection certificate,

Export license, Packing list, Health certificate, Insurance certificate, Shipper's letter of instruction, Destination Control statement." (p. 66-67)

- **Parties Involved in Transportation:** Exporter, buyer, banks (both sides), insurance company, export freight forwarding, customs house agents, C&F agents, customs department, port authorities, transit transport providers, and the shipping company. (p. 67)

In summary, India is actively developing a robust ecosystem to support its trade and manufacturing sectors. This includes a network of specialized educational and certification institutions, a comprehensive suite of government policies designed to foster growth and attract investment, and an emphasis on streamlining financial and logistical processes to enhance global competitiveness.

1. What specialized educational institutions exist in India to support various industries related to trade and manufacturing?

India has several specialized institutions that provide professional programs and support to key sectors. The Footwear Design & Development Institute (FDDI) offers programs in footwear design, production management, creative design, fashion merchandising, and business management. The Indian Institute of Packaging (IIP) focuses on testing, certification, training, education, and R&D for packaging materials, including mandatory UN Certification for hazardous goods. The Indian Diamond Institute (IDI) in Surat provides education in the Gem & Jewellery sector, particularly diamond manufacturing, to enhance quality, design, and global competitiveness. Lastly, the Indian Institute of Foreign Trade (IIFT), a Deemed to be University, is a leading business school established in 1963, contributing to India's external trade through policy research and skill-building in international business.

2. How does the Indian government protect its agricultural and animal health from external threats?

The Indian government implements stringent quarantine measures to safeguard its plant and animal life from exotic pests and diseases. The Plant Quarantine Information System (PQIS), operating under The Destructive Insects & Pests Act, 1914, aims to prevent the entry, establishment, and spread of foreign pests. Its mission is to protect plant life, increase agricultural productivity, and facilitate safe global trade through export certification. Similarly, the Animal Quarantine & Certification Services (AQCS) are crucial for preventing the ingress of dangerous exotic diseases through imported livestock and livestock products. AQCS enforces the Livestock Importation Act, conducts inspection and testing, and provides internationally accepted certification for exports, ensuring national health security for both animal and human populations.

3. What are Special Economic Zones (SEZs) and Export Oriented Units (EOUs), and what are their primary objectives?

Special Economic Zones (SEZs) are designated areas with special economic regulations to promote trade and investment. Asia's first Export Processing Zone (EPZ) was established in Kandla in 1965, and all eight pre-existing EPZs were later converted into SEZs under a policy announced in April 2000. The main objectives of SEZs are to generate additional economic activity, promote the export of goods and services, attract domestic and foreign investment, create employment opportunities, and develop infrastructure facilities. Export Oriented Units

(EOUs), introduced in 1981, are a complementary scheme to SEZs. They adopt a similar production regime but offer more flexible locations. EOUs are units that commit to exporting their entire production of goods and services (with permissible domestic sales) and operate under the administrative control of the concerned Development Commissioner of the Special Economic Zone.

4. What are some of the key government initiatives to boost India's manufacturing sector and economic growth?

The Indian government has launched several initiatives to promote its manufacturing sector and attract investments. The National Manufacturing Policy aims to increase manufacturing's share in GDP to 25% by 2025. The "Make in India" policy, launched in 2014, facilitates investment, fosters innovation, and aims to make India a global manufacturing, design, and innovation hub. The Production-Linked Incentive (PLI) scheme, with an outlay of Rs. 1.97 lakh crore for 14 key sectors, seeks to enhance manufacturing capabilities and exports. Other initiatives include the Industrial Corridor Development Programme to develop greenfield industrial regions, efforts to improve Ease of Doing Business by simplifying procedures and digitizing government processes, the National Single Window System (NSWS) for investor approvals, and the PM Gati Shakti National Master Plan (NMP) for integrated infrastructure planning. The National Logistics Policy (NLP) aims to lower logistics costs and boost competitiveness.

5. How does the government provide financial assistance and benefits to exporters in India?

The Indian government offers various financial benefits and schemes to support exporters. These include:

- **Advance Authorization Scheme:** Waives import duty if goods are used as inputs for export products.
- **Duty Drawback Schemes:** Refunds duties and taxes paid on inputs used for export products.
- **Zero-Duty Export Promotion Capital Goods (EPCG) Scheme:** Available for the import of capital goods used in the production of electronic products for export.
- **Post-Export EPCG Duty Credit Scrip Scheme:** Allows exporters to claim a refund on duties paid to customs officials. These benefits help companies manage costs and risks associated with exporting, though exporters must carefully review the terms and conditions as eligibility can be product- or market-specific.

6. What financial institutions and services are available to exporters in India?

Exporters in India can access financial assistance from various sources, including banks, non-banking financial corporations (NBFCs), and foreign trade-specific lenders. The Export-Import (Exim) Bank of India is a key provider, offering services such as buyer's credit, corporate banking products, lines of credit, and project-based finance. Nationalized banks, private sector banks, foreign banks, regional rural banks, and certain cooperative banks also provide financing. Their services may include pre-shipment or post-shipment finance, lines of credit, foreign currency loans, and advances against bills. Exporters are advised to thoroughly research a bank's specific offerings to ensure they align with their needs and to only undertake export operations within their financial means to avoid defaults.

7. What are the key stages and documentation involved in the export logistics process?

The export logistics process begins once the product is cleared for dispatch from the factory or warehouse. Key stages include:

- **Choosing Shipping Mode and Freight Forwarder:** Deciding on the mode of transport (e.g., ocean freight) and selecting an ocean freight forwarder to arrange and manage the transport.
- **Customs Clearance:** Arranging for a customs clearance agent to ensure adherence to all export laws and compliances until the goods reach their destination.
- **Container Shipping:** Determining the container method, such as Full Container Load (FCL) or Less than Container Load (LCL) shipments.
- **Packing and Labeling:** Ensuring goods are packed in an 'export-ready' manner with necessary markings and labeling, and preparing an export packing list.
- **Excise Formalities:** Completing any required excise formalities for goods cleared from the exporter's premises.

The process involves extensive documentation, including commercial invoices, dock receipts, bills of lading, certificates of origin, warehouse receipts, inspection certificates, export licenses, packing lists, health certificates, insurance certificates, shipper's letters of instruction, and destination control statements.

8. What is the PM MITRA scheme and its significance for the Indian textile industry?

The PM Mega Integrated Textile Region and Apparel (PM MITRA) scheme is an initiative by the Ministry of Textiles aimed at establishing world-class industrial infrastructure for the textile sector. With a total outlay of Rs. 4,445 crore, the scheme involves setting up 7 Mega Integrated Textile Region and Apparel Parks. These parks are designed to attract cutting-edge technology and boost both foreign direct investment (FDI) and local investment. A key feature of PM MITRA parks is the creation of an integrated textiles value chain at a single location, encompassing spinning, weaving, processing/dyeing, printing, and garment manufacturing. The scheme's overarching goal is to significantly strengthen India's position on the global textiles map.

International Trade Logistics, Regulations, and Export Incentives

Export Logistics, Cold Chain Management, and Trade Promotion

1. Export Logistics Tracking Process

The export logistics process involves several sequential steps to ensure goods are prepared, transported, cleared, and delivered to the buyer. This process begins post-manufacturing and quality checks, with the exporter or customs house agent responsible for **packaging, labeling, and marking goods to adhere to standard shipping practices**.

Key stages include:

- **Documentation and Preparation:** Obtaining a delivery order for containers, arranging pick-up, stuffing, and sealing of containers.
- **Intermodal Transportation:** Arranging transport from the exporter's premises to the loading point.
- **Port Operations & Customs:** At the port, the exporter or agent handles customs clearance, documentation, and physical verification.
- **Shipping Line Interaction:** Handing over documents and mate's receipts to the shipping line, which then provides a Bill of Lading to the exporter. The exporter is responsible for sending the original Bill of Lading and other required documents to the buyer or their agent for import clearance and custody of goods at the destination port.
- **Loading and Departure:** Concurrently, goods are loaded onto the carrier and depart from the origin port.

2. Cold Chain Logistics

The "Cold Chain" is a critical component of supply chain management for **temperature-sensitive products, particularly perishable goods**, ensuring their integrity from origin to consumption. Its primary goals are "reducing spoilage, retains the quality of the harvested products and guarantees a cost efficient delivery to the consumer which can be transported over long distance and can be preserved beyond the life of the product."

Different products necessitate specific temperature standards, such as "banana" (13 °C), "chill" (2 °C), "frozen" (-18 °C), and "deep frozen" (-29 °C). Maintaining these temperatures is crucial, as "Any deviations from the prescribed temperature limits will damage the goods in the transit."

The complete Cold Chain logistics system comprises:

- **Cold Storages:** Initial storage of products in temperature-controlled environments before further transit.

- **Refrigerated Carriers:** The primary distribution method, ensuring continuous in-transit temperature maintenance. "Failure in this part will be a major setback to the whole process."
- **Packaging:** A "Value added service" that involves adhering to specific packaging requirements.
- **Warehousing:** Secondary distribution system for storing products in cold storage units for subsequent delivery to clients.
- **Management Information Systems:** Essential for "continuous monitoring of the temperature and efficient supply chain management system should have tracking systems in place to trace the products and vehicles in transit to avoid any malfunctions."

3. SPS & TBT Agreements

These two WTO agreements aim to regulate trade to prevent unnecessary barriers while allowing countries to protect legitimate interests.

3.1. SPS Agreement (Sanitary and Phytosanitary)

Entered into force with the WTO on January 1, 1995, the SPS Agreement concerns the "application of food safety and animal and plant health regulations."

Key Principles:

- **National Standards Allowed, But Science-Based:** Countries can set their own standards, but they "must be based on science" and applied "only to the extent necessary to protect human, animal or plant life or health."
- **Non-Discriminatory:** Regulations "should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail."
- **Encourages Harmonization:** Member countries are encouraged to use existing international standards, guidelines, and recommendations ("harmonization"). While the WTO does not develop these standards, member governments participate in their development through other international bodies.
- **Higher Standards Permissible:** Members may implement higher standards if scientifically justified or based on appropriate risk assessment, provided the approach is consistent and not arbitrary.
- **Scope of Measures:** SPS measures protect human or animal life from food-borne risks (additives, contaminants, toxins, disease organisms), human life from plant/animal-carried diseases, and animal/plant life from pests or diseases. They also cover preventing or limiting damage from pests entering, establishing, or spreading within a country (including fish, wild fauna, forests, wild flora).

3.2. Technical Barriers to Trade (TBT) Agreement

The TBT Agreement "aims to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade." It balances this with recognizing WTO members' right "to implement measures to achieve legitimate policy objectives, such as the protection of human health and safety, or protection of the environment."

Key Features:

- **Distinction between Regulations and Standards:** Technical regulations are mandatory government measures, while standards are voluntary. Both cover "Product characteristics; Process and production methods related to product characteristics; Terminology, symbols, packaging, marking and labelling requirements as they apply to a product, process or production method."
- **Performance-Based:** Governments are encouraged to specify regulations and standards "in terms of performance rather than design or descriptive characteristics" wherever possible.
- **Legitimate Objectives:** Recognizes that governments can adopt measures for legitimate objectives, including "national security, protection of human, animal or plant life or health, or the environment, and prevention of deceptive practices." However, such measures "should not create unnecessary obstacles to trade."
- **International Standards:** Strongly encourages members to base measures on international standards to facilitate trade.
- **Transparency:** Aims to create a predictable trading environment through transparency provisions.

4. Export Promotion Schemes

India implements various schemes to boost exports, offsetting infrastructural inefficiencies and associated costs to provide exporters a level playing field.

4.1. Remission of Duties or Taxes on Export Products Scheme (RoDTEP)

- **Objective:** To "neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods."
- **Coverage:** Rebates "all hidden Central, State, and Local duties/taxes/levies" not refunded under other schemes, including direct and prior-stage cumulative indirect taxes.
- **WTO Compliant:** Follows the principle that taxes/duties should not be exported, ensuring competitiveness.
- **Effective Date:** January 1, 2021.

4.2. Duty Exemption & Remission Schemes

These schemes allow duty-free import of inputs for export production, subject to an export obligation.

- **Advance Authorization Scheme (AA):** Allows duty-free import of inputs physically incorporated into the export product, with a minimum 15% value addition. Validity is typically 12 months for imports and 18 months for export obligation fulfillment. Issued to manufacturer exporters or merchant exporters tied to supporting manufacturers.

- **Advance Authorization for Annual Requirement:** For exporters with consistent past export performance (in at least the preceding two financial years).
- **Minimum Value Addition:** Generally 15%, with specific exceptions for certain products like tea (50%) and spices (25%).
- **Domestic Sourcing:** AA holders can procure inputs from indigenous suppliers against Advance Release Order (ARO) or Invalidation Letter, making the domestic supplier eligible for deemed export benefits.
- **Duty Free Import Authorization (DFIA) Scheme:** Issued for duty-free import of inputs with a minimum 20% value addition. Exempts only basic customs duty and is issued on a post-export basis for notified products.
- **Duty Drawback of Customs:** Administered by the Department of Revenue, this scheme refunds duties on duty-paid inputs used in exported products. Refunds can be claimed at "All Industry Rates" or "Brand Rate" based on application.

4.3. Interest Equalisation Scheme (IES)

- **Objective:** Provides interest equalization (subsidy) on Pre and Post Shipment Rupee Export Credit.
- **Rates:** 3% per annum for exports under 416 tariff lines (4-digit ITC(HS) code) and for Merchant Exporters. Increased to 5% for Micro, Small & Medium Enterprises (MSMEs) across all ITC(HS) codes.

4.4. Export Promotion Capital Goods (EPCG) Scheme

- **Objective:** "To facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness."
- **Zero Duty EPCG Scheme:** Allows import of capital goods at zero customs duty (exempt from IGST and Compensation Cess for physical exports).
- **Export Obligation (EO):** Equivalent to six times the duty saved, to be fulfilled in six years from authorization issue. This EO is *over and above* the average export level of the preceding three licensing years for similar products.
- **Coverage:** Includes manufacturer exporters (with or without supporting manufacturers), merchant exporters tied to supporting manufacturers, and service providers (including Common Service Providers (CSPs) in Towns of Export Excellence or PM MITRA parks).
- **Capital Goods Definition:** Includes capital goods (including CKD/SKD), computer systems/software part of capital goods, spares, moulds, dies, jigs, fixtures, tools, refractories, and catalysts (initial + one subsequent charge).
- **Actual User Condition:** Imported capital goods are subject to this condition until EO is completed and EODC is granted.
- **Indigenous Sourcing:** Allowed from domestic manufacturers (via Invalidation Letter or Advance Release Order) who are then eligible for deemed export benefits. Indigenous sourcing also counts for fulfillment of positive NFE by EOUs.

- **Relaxations:** Reduced specific EO for Green Technology Products (75%) and units in specific Northeastern states and UTs (25%). Condensation of remaining EO if 75% of specific EO and 100% of average EO fulfilled in half or less than half the original period.
- **Post Export EPCG Duty Credit Scrip Scheme:** For exporters importing capital goods by paying full applicable duty in cash.

4.5. EOU/EHTP/STP & BTP Schemes

- **Description:** Units committing to export their entire production can be set up under these schemes, allowing import/domestic procurement without duties.

4.6. Other Schemes

- **Towns of Export Excellence (TEE):** Notifies towns with significant export potential (producing goods worth Rs. 750 crores or more), providing financial assistance under the MAI Scheme.
- **Market Access Initiative (MAI) Scheme:** Provides financial assistance for export promotion activities (e.g., market studies, trade fair participation, brand promotion) to EPCs, Industry & Trade Associations based on focus countries/products.
- **Status Holder Scheme:** Recognizes eligible applicants with "Star Export House" status based on export performance (e.g., One Star: $3 million, Five Star: $800 million). Status Holders receive various non-fiscal privileges.
- **Rebate Of State And Central Levies And Taxes (ROSCTL) Scheme:** Rebates embedded State and Central Taxes/levies for exports of made-up articles & garments.
- **Trade Facilitation:** Additional facilities like "24X7 customs clearance, single window in customs, self assessment of customs duty, prior filing facility of shipping bills etc are available to facilitate exports."

What is the typical process for tracking export logistics from the exporter's premises to the destination port?

The export logistics tracking process begins after goods are manufactured, inspected, packaged, labeled, and marked according to shipping standards by the exporter or customs house agent. Next, the exporter or freight forwarder obtains a delivery order for containers and arranges for their pick-up, stuffing, and sealing. Intermodal transportation is then arranged to move the goods from the exporter’s location to the loading point. Upon arrival at the port, customs clearance, documentation, and physical verification are handled. The necessary documents and mate's receipts are submitted to the shipping line, which then issues a bill of lading to the exporter. This original bill of lading, along with other documents, must be sent to the buyer or their agent, as these are crucial for taking custody of the goods and obtaining import clearance at the destination port. Simultaneously, the goods are loaded onto the carrier and depart from the origin port.

What is Cold Chain Logistics and why is it important for certain products?

Cold Chain Logistics refers to the specialized transportation of temperature-sensitive products, such as perishable goods, from their origin to their consumption point within the food supply chain. Its primary importance lies in reducing spoilage, maintaining the quality of harvested products, and ensuring cost-efficient delivery of goods over long distances, thereby extending their shelf life. Different products necessitate specific temperature ranges (e.g., "banana" at 13 °C, "chill" at 2 °C, "frozen" at -18 °C, and "deep frozen" at -29 °C), and maintaining these precise temperatures throughout transit is critical to preserving the integrity of the shipment. Any deviation from these prescribed limits can lead to significant damage to the goods.

What are the key components of a complete Cold Chain logistics system?

A complete Cold Chain logistics system comprises several interconnected components:

- **Cold Storages:** These facilities are used for acquiring products from their point of origin and storing them in temperature-controlled environments before further transit to the point of consumption or sale.
- **Refrigerated Carriers:** These form the primary distribution method, designed to continuously maintain the required in-transit temperature for the products. Their failure can significantly jeopardize the entire cold chain process.
- **Packaging:** This is considered a value-added service, involving adherence to specific packaging requirements to protect temperature-sensitive goods.
- **Warehousing:** This serves as the secondary distribution system, where products are stored in cold storage units after transportation, awaiting delivery to clients based on their needs.
- **Management Information Systems (Traceability and Tracking etc.):** These systems are essential for continuous temperature monitoring and efficient supply chain management, incorporating tracking capabilities to trace products and vehicles in transit, thereby preventing malfunctions.

What is the SPS Agreement, and what are its main objectives regarding international trade?

The SPS Agreement, or the Agreement on the Application of Sanitary and Phytosanitary Measures, entered into force with the establishment of the World Trade Organization (WTO) on January 1, 1995. Its main objectives are to set out basic rules for food safety and animal and plant health standards in international trade. It allows countries to establish their own standards, provided these are scientifically justified, applied only to the extent necessary to protect human, animal, or plant life or health, and do not arbitrarily or unjustifiably discriminate between countries with identical or similar conditions. The agreement encourages member countries to use international standards, guidelines, and recommendations to harmonize measures, though higher standards are permitted if scientifically justified or based on consistent risk assessment. It also defines specific measures applied to protect life from contaminants, diseases, pests, and other damage.

How does the Technical Barriers to Trade (TBT) Agreement facilitate trade while allowing countries to achieve legitimate policy objectives?

The Technical Barriers to Trade (TBT) Agreement aims to ensure that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. Simultaneously, it recognizes the right of WTO members to implement measures for legitimate policy objectives, such as protecting human health and safety or the environment. The agreement strongly encourages members to base their measures on international standards to facilitate trade and promotes a predictable trading environment through transparency provisions. It distinguishes between mandatory technical regulations and voluntary standards, both of which cover product characteristics, production methods, terminology, symbols, packaging, marking, and labeling requirements. Governments are encouraged to specify regulations in terms of performance rather than design and to avoid creating unnecessary trade obstacles when pursuing legitimate objectives like national security or preventing deceptive practices.

What is the RoDTEP scheme, and how does it aim to boost India's exports?

The RoDTEP (Remission of Duties or Taxes on Export Products) scheme is an export promotion initiative introduced to neutralize the hidden central, state, and local taxes, duties, and levies embedded in exported goods. These are taxes that are not otherwise credited, remitted, or refunded to exporters, making products less competitive in global markets. RoDTEP provides a rebate for these unrefunded taxes, aligning with the WTO principle that taxes and duties should not be exported, but rather exempted or remitted. Effective from January 1, 2021, the scheme aims to make Indian goods more competitive internationally by offsetting these cumulative indirect taxes.

What are some other key export promotion schemes and benefits available in India, besides RoDTEP?

In addition to RoDTEP, India offers several other export promotion schemes and benefits to boost exports and provide a level playing field for exporters:

- **Duty Exemption & Remission Schemes:** These schemes allow duty-free import of inputs for export production, including:
- **Advance Authorization (AA) Scheme:** Allows duty-free import of inputs physically incorporated into export products with a minimum 15% value addition.
- **Duty Free Import Authorization (DFIA) Scheme:** Permits duty-free import of inputs with a minimum 20% value addition, exempted only from basic customs duty, issued on a post-export basis.
- **Duty Drawback of Customs:** Provides a refund of duty paid on inputs after products are exported, available at All Industry Rates or Brand Rates.
- **Interest Equalisation Scheme (IES):** Provides interest equalization (currently 3% for all exports under 416 tariff lines and 5% for MSMEs across all codes) on pre and post-shipment rupee export credit.
- **Export Promotion Capital Goods (EPCG) Scheme:** Allows import of capital goods at zero customs duty to produce quality goods and services and enhance export competitiveness, subject to an export obligation (six times the duty saved in six years).
- **EOU/EHTP/STP & BTP Schemes:** Allow units undertaking to export their entire production to import/procure goods and services domestically without duty payments.
- **Towns of Export Excellence (TEE):** Selected towns with high export potential receive financial assistance under the MAI Scheme.

- **Market Access Initiative (MAI) Scheme:** Provides financial assistance for export promotion activities, such as market studies, trade fair participation, and brand promotion.
- **Status Holder Scheme:** Recognizes exporters based on export performance, granting non-fiscal privileges.
- **Rebate Of State And Central Levies And Taxes (ROSCTL) Scheme:** Rebates embedded State and Central taxes/levies for exports of made-up articles and garments.
- **Other Facilities:** Include 24x7 customs clearance, single-window customs, self-assessment of customs duty, and prior filing of shipping bills.

What is the objective of the Export Promotion Capital Goods (EPCG) Scheme, and what are its main requirements?

The primary objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate the import of capital goods at zero customs duty for the purpose of producing high-quality goods and services, thereby enhancing India's manufacturing competitiveness and boosting exports. The scheme allows for the import of capital goods (including components, spares, moulds, dies, jigs, tools, refractories, and catalysts) for pre-production, production, and post-production activities. Capital goods imported under EPCG are also exempt from IGST and Compensation Cess.

The main requirement is an export obligation (EO) equivalent to six times the duties, taxes, and cess saved on the imported capital goods, which must be fulfilled within six years from the date of Authorization issue. This EO must be achieved through the export of goods manufactured or services rendered by the Authorization holder or their supporting manufacturer. The EO is typically over and above the average export performance of the applicant in the preceding three licensing years for the same and similar products. The scheme covers manufacturer exporters (with or without supporting manufacturers), merchant exporters tied to supporting manufacturers, and certain common service providers in designated areas like Towns of Export Excellence. Imported capital goods are subject to an "Actual User" condition until the export obligation is met and an Export Obligation Discharge Certificate (EODC) is granted. Indigenous sourcing of capital goods is also permitted and offers reduced export obligation (25% less).

India's Foreign Trade: Incentives, Regulations, and Statistics

India's Export Strategy, Incentives, and Trade

I. Export Strategy and Incentives

India views exports as a cornerstone of its economic growth, aiming to significantly increase its foreign exchange earnings and domestic revenue. The government has set ambitious targets to boost its GDP from $3.3 trillion to $5 trillion by 2025, which necessitates increasing exports to $1 trillion within the same timeframe. To achieve this, a robust system of export incentives, both financial and non-financial, is in place.

A. Remission of Duties or Taxes on Export Products Scheme (RoDTEP)

- **Objective:** To "neutralize the taxes and duties suffered on exported goods which are otherwise not credited or remitted or refunded in any manner and remain embedded in the export goods." This ensures that Indian goods remain competitive in the global market by preventing the export of embedded taxes.
- **Coverage:** Provides rebate on "hidden Central, State, and Local duties/taxes/levies" including direct costs and prior-stage cumulative indirect taxes like electricity duty and VAT on fuels.
- **Compliance:** It is a "WTO compliant Scheme" adhering to the principle that taxes/duties should not be exported.
- **Implementation:** Effective from January 1, 2021, and implemented by the Central Board of Indirect Taxes and Customs (CBIC) in an end-to-end IT environment, requiring no separate application for benefits.
- **Scope & Budget:** Covers approximately 10,436 export items (HS lines at 8 digits) and had an allocation of Rs. 13,699 crore for FY 22-23.

B. Deemed Exports

- **Definition:** Refers to "transactions in which goods supplied do not leave country, and payment for such supplies is received either in Indian rupees or in free foreign exchange," provided the goods are manufactured in India.
- **Objectives:**To "provide a level-playing field to domestic manufacturers in certain specified cases."
- To "promote domestic industry."
- To "provide duty free imports and duty exemption/ refund for products manufactured in India."
- To "reduce the dependency on imports."
- **Benefits:Duty Exemption:** Duty-free inputs for manufacturing and supply under various authorization schemes (Advance Authorisation, DFIA).

- **TED Refund/Exemption:** Refund of Terminal Excise Duty or exemption from its payment.
- **Duty Drawback Refund:** Refund of Basic Custom Duties paid on inputs used in manufacturing and supply for qualifying deemed exports.
- **Process:** Reimbursements are based on claims submitted to Regional Offices of DGFT after supplies are made and payments received.

C. Electronic Bank Realisation Certificate (e-BRC)

- **Purpose:** A vital digital certificate issued by banks confirming buyer payment to the exporter for goods or services. It serves as "proof of realisation of payment against exports."
- **Importance:** Essential for businesses to "avail export benefits under the Foreign Trade Policy (FTP)," including subsidies, low-cost loans, and duty exemptions.
- **Digitization:** Introduced by the DGFT in 2012 to promote paperless trade. Banks are required to transmit BRC data electronically to the DGFT server.
- **Process Improvement:** Prior to e-BRC, exporters faced time-consuming manual processes to obtain and submit BRCs. The e-BRC system has significantly streamlined the process of claiming export incentives.
- **Validation:** DGFT links shipping bill information (FOB value) with e-BRC data (final payment received) to validate the incentive value for the exporter.

II. General Provisions Regarding Imports and Exports

A. Import/Export of Samples

- **Import:** "No Authorisation shall be required for Import of bonafide technical and trade samples of items “restricted” in ITC (HS) except defence/security items, seeds, bees and new drugs." Duty-free import of samples up to Rs. 3,00,000 is allowed for all exporters.
- **Export:** "Exports of bonafide trade and technical samples of freely exportable item shall be allowed without any limit." Restricted items require an application to DGFT.

B. Import/Export of Gifts

- **Import:** Generally "prohibited except for life saving drugs/ medicines and Rakhi (but not gifts related to Rakhi)." Import of gifts with full applicable duties is allowed.
- **Export:** Goods, including edible items, not exceeding Rs. 5,00,000 in a licensing year may be exported as gifts. Restricted items require authorization.

C. Import/Export through Passenger Baggage

- **Bona-fide household goods and personal effects:** Allowed as per Baggage Rules.
- **Samples:** Freely importable/exportable samples can be carried as baggage without authorization, subject to Baggage Rules.

- **Exporters' specific items:** Exporters can import drawings, patterns, labels, price tags, buttons, belts, trimming, and embellishments for export purposes as part of baggage, within value limits.
- **Restricted/Prohibited items:** Not permitted as baggage without valid authorization from DGFT.
- **Government Officials:** Permitted to carry restricted/prohibited food items for personal consumption when on official postings abroad.

D. Denomination of Export Contracts

- **Currency:** Export contracts and invoices are typically "denominated either in freely convertible currency or Indian rupees," with proceeds realized in freely convertible currency.
- **Rupee Realization:** Export proceeds can be realized in rupees through a freely convertible Vostro account of a non-resident bank (excluding ACU, Nepal, or Bhutan member countries), provided the buyer remits in free foreign currency.
- **ACU Dollar/Euro:** Contracts for payments through the Asian Clearing Union (ACU) are denominated in ACU Dollar or ACU Euro.
- **INR Settlement:** Invoicing, payment, and settlement of exports and imports are permissible in INR via Special Rupee Vostro Accounts, as per RBI guidelines (A.P. (DIR Series) Circular No.10 dated July 11, 2022). Indian importers pay in INR to the partner country's correspondent bank's Vostro account, and Indian exporters receive export proceeds in INR from these balances.

III. Foreign Exchange Fluctuations

- **Nature:** Currency fluctuations are a "natural outcome of floating exchange rates."
- **Influencing Factors:** "A country's economic performance, the outlook for inflation, interest rate differentials, capital flows and so on."
- **Impact:** Can significantly "impact merchandise trade, economic growth, capital flows, inflation and interest rates."
- **Risk Management:** Investors should "hedge their foreign currency risk via instruments such as futures, forwards and options." Economic exposure is identified as the most important exposure, calculable statistically.

IV. Important Trade Statistics (2021-22 & 2022-23 (partial))

A. India’s Overall Trade (Merchandise and Services)

- **Exports (2021-22):** US$ 676.53 billion (35.88% growth over 2020-21).
- **Exports (Apr-Dec 2022):** US$ 568.57 billion (16.11% growth over Apr-Dec 2021).
- **Exports to GDP Ratio:** Increased to 21.30% in 2021-22, reversing a declining trend.
- **Imports (2021-22):** US$ 760.06 billion (48.46% growth over previous year).
- **Imports (Apr-Dec 2022):** US$ 686.70 billion (25.55% growth over Apr-Dec 2021).

B. India’s Merchandise Trade

- **Exports (2021-22):** US$ 422 billion (44.62% growth over 2020-21).
- **Monthly Exports (FY 2021-22):** Ranged from US$ 30 billion to US$ 45 billion, with a record US$ 44.57 billion in March 2022.
- **Trade Deficit (2021-22):** US$ 191.05 billion (up from US$ 102.63 billion in 2020-21).
- **Trade Deficit (Apr-Dec 2022):** Increased to US$ 218.94 billion (from US$ 136.45 billion in Apr-Dec 2021).

C. India’s Services Trade

- **Dominance:** The services sector is the "dominant sector in India’s GDP, with significant contribution to exports and FDI."
- **Resilience:** Showed resilience despite economic disruptions from the pandemic.
- **Exports (2021-22):** US$ 254.53 billion (23.50% growth over 2020-21).
- **Contribution to GDP:** Exhibited an increasing trend, from 7.70% in 2018-19 to 8.01% in 2021-22.

D. Major Commodities of Export and Import (2021-22)

- **Key Export Categories:** Included Petroleum Products, Iron & Steel, Bovine Meat, Ship, Boat and floating structure, and Pharmaceutical products.
- **Key Import Categories:** Included Vegetable Oils, Coal, Organic chemicals, Computer hardware, and Plastic raw materials.

E. Major Export Destinations and Import Sources (2021-22)

- The document provides detailed tables for major export destinations and import sources, highlighting key trading partners for India.

F. Regional Trade Snapshots

- **ASEAN:** Trade was US$ 110.66 billion in 2021-22. Major partners include Singapore, Indonesia, Malaysia, Thailand, and Vietnam. Key exports are Petroleum Products, Iron & Steel, and Pharmaceuticals. Key imports are Vegetable Oils, Coal, and Organic chemicals.
- **Latin America & Caribbean (LAC):** Emerged as a "potential growth market for India." Bilateral merchandise trade increased from US$ 1.49 billion in 2000-01 to US$ 36.67 billion in 2021-22. Accounts for 3.54% of India's Global trade.
- **Commonwealth of Independent States (CIS):** The document lists member countries and provides a table detailing bilateral trade data.

V. Conclusion

While India's export sector demonstrates significant growth and resilience, achieving the ambitious export targets requires adherence to complex certification and licensing procedures. The government's initiatives, such as RoDTEP and e-BRC, aim to simplify processes and provide necessary incentives to make Indian goods globally competitive. Understanding and leveraging these mechanisms are crucial for export businesses to succeed. The rising trade deficits in both overall and merchandise trade indicate a growing import demand, which needs to be balanced against export growth.

What is the Indian government's strategic goal for exports and how do incentives support it?

The Indian government aims to significantly boost its gross domestic product (GDP) from $3.3 trillion to $5 trillion by 2025. To achieve this, a critical component is to increase the country's exports to $1 trillion within the same timeframe. Export incentives, which encompass both financial and non-financial benefits, are a key strategy employed to encourage and support businesses in their international trade efforts, thereby contributing to this ambitious export target.

What is the RoDTEP Scheme and what is its primary objective?

The RoDTEP (Remission of Duties or Taxes on Export Products) Scheme is an initiative by the Indian government, effective from January 1, 2021. Its main objective is to neutralize the embedded Central, State, and Local duties/taxes/levies on exported goods that are otherwise not refunded or credited under any other scheme. This includes not only direct costs but also prior-stage cumulative indirect taxes. The scheme is WTO-compliant, adhering to the principle that taxes and duties should not be exported, ensuring Indian goods remain competitive in the global market. The Central Board of Indirect Taxes and Customs (CBIC) implements it in an end-to-end IT environment, covering around 10,436 export items.

How does the "Deemed Exports" concept provide benefits to domestic manufacturers?

"Deemed Exports" refer to transactions where goods supplied do not leave India, and payment is received in Indian rupees or free foreign exchange, provided the goods are manufactured in India. The primary objectives are to provide a level playing field for domestic manufacturers, promote domestic industry, and reduce import dependency. Benefits for deemed exports include duty exemption for inputs used in manufacturing, refund or exemption of Terminal Excise Duty, and refund of Basic Custom Duties paid on inputs. These reimbursements are processed by the Regional Offices of DGFT upon submission of claims after supplies are made and payments received.

How do currency fluctuations impact international trade and what measures can exporters take to manage this risk?

Currency fluctuations are a natural consequence of floating exchange rates, influenced by factors like economic performance, inflation outlook, interest rate differentials, and capital flows. These fluctuations can significantly impact merchandise trade, economic growth, capital flows, inflation, and interest rates. For exporters, a strong domestic currency can make their goods more expensive for foreign buyers, potentially reducing competitiveness. Conversely, a weaker domestic currency can boost export returns. To mitigate foreign currency risk, investors and exporters are advised to hedge their exposure using financial instruments such as futures, forwards, and options.

What is an e-BRC and why is it essential for Indian exporters?

An Electronic Bank Realisation Certificate (e-BRC) is a crucial digital certificate issued by banks to confirm that an exporter has received payment from a foreign buyer for exported goods or services. It serves as proof of realization of payment against exports. The e-BRC is essential for exporters to avail various government export incentives, such as subsidies, low-cost loans, and duty exemptions offered under the Foreign Trade Policy (FTP). Before e-BRC's introduction in 2012, exporters had to physically obtain BRCs, making the process time-consuming. The digital e-BRC system has streamlined the process, allowing for direct electronic transmission of data from banks to the Directorate General of Foreign Trade (DGFT), linking payment realizations with shipping bills for incentive validation.

What are the general provisions regarding the import and export of samples and gifts in India?

For samples: Bonafide technical and trade samples of freely exportable items can be exported without any limit. For restricted items, an application to DGFT is required. For imports, no authorization is required for bonafide technical and trade samples of "restricted" items (except defense/security, seeds, bees, and new drugs), with duty-free import allowed up to Rs. 3,00,000 for all exporters.

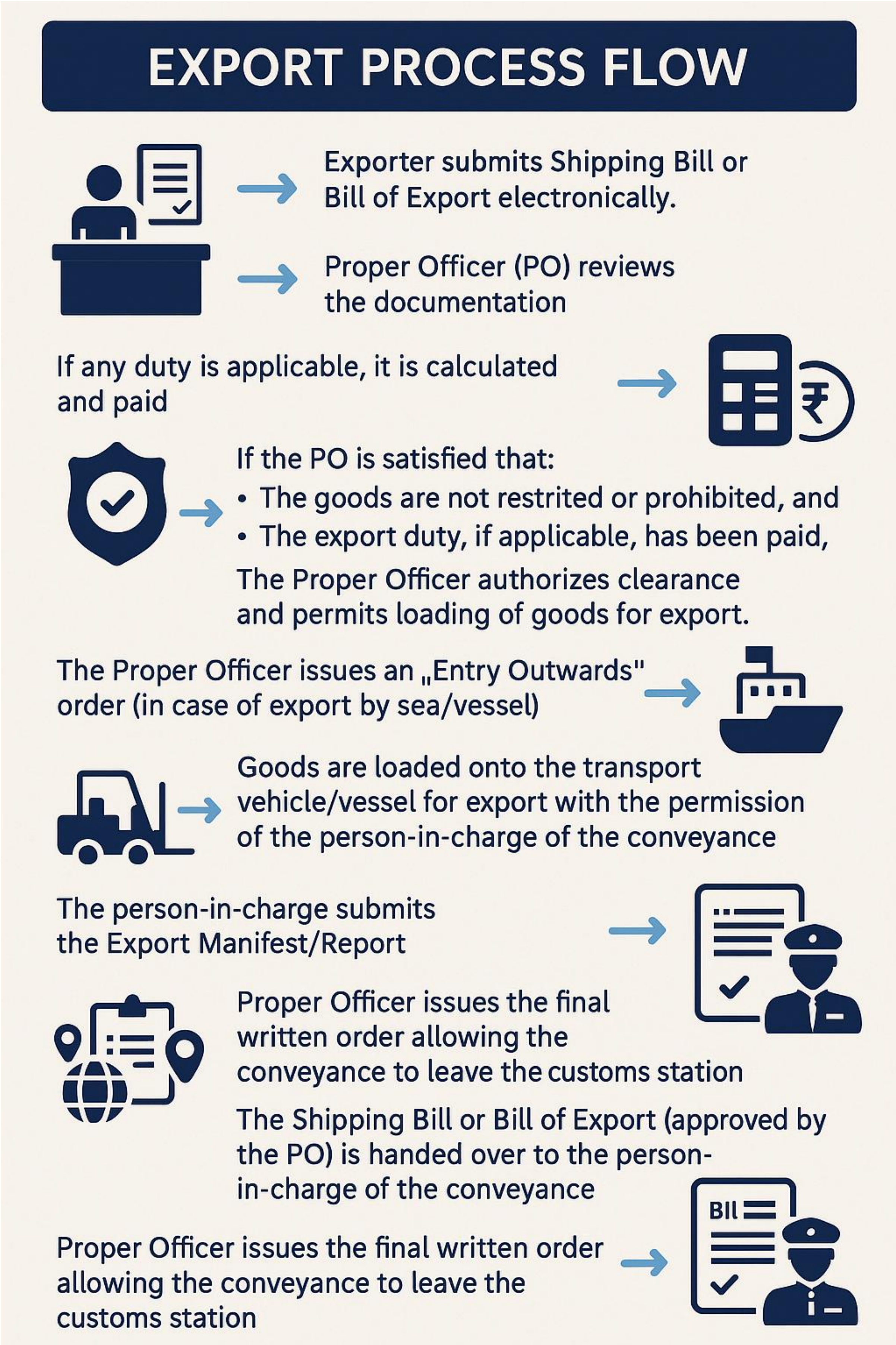
For gifts: Import of goods (including from e-commerce portals) as gifts via post or courier is generally prohibited, except for life-saving drugs/medicines and Rakhi (excluding related gifts). However, import of gifts is allowed with the payment of full applicable duties. For exports, goods, including edible items, with a value not exceeding Rs. 5,00,000 in a licensing year, may be exported as gifts, unless they are restricted items requiring authorization.

How are export contracts typically denominated and settled in India?

All export contracts and invoices in India must typically be denominated in either a freely convertible currency or Indian rupees. However, export proceeds are generally required to be realized in freely convertible currency. There are exceptions: proceeds against specific exports can be realized in Indian rupees if done through a freely convertible Vostro account of a non-resident bank in a country other than an Asian Clearing Union (ACU) member, Nepal, or Bhutan, provided the buyer pays in free foreign currency to their non-resident bank account. Additionally, contracts for payments received through ACU are denominated in ACU Dollar or ACU Euro. Furthermore, invoicing, payment, and settlement of exports and imports are permissible in INR through Special Rupee Vostro Accounts, as per recent RBI circulars, where Indian exporters receive export proceeds in INR from these designated accounts.

What are the recent trends in India's overall trade balance?

India's overall (Merchandise and Services) exports showed significant growth, increasing by 35.88% in 2021-22 to US$ 676.53 billion and continuing to grow by 16.11% in April-December 2022. The export-to-GDP ratio also increased to 21.30% in 2021-22. However, overall imports have grown even faster, exhibiting a 48.46% increase in 2021-22 to US$ 760.06 billion and a 25.55% increase in April-December 2022. This disparity in growth rates has led to an increasing trade deficit. The overall trade deficit widened from US$ 102.63 billion in 2020-21 to US$ 191.05 billion in 2021-22 for merchandise trade, and further increased to US$ 218.94 billion in April-December 2022 compared to US$ 136.45 billion in the same period of 2021.


EXPORT PROCESS FLOW
Exporter submits Shipping Bill or Bill of Export electronically.
Proper Officer (PO) reviews the documentation
If any duty is applicable, it is calculated and paid
If the PO is satisfied that:
• The goods are not restrited or prohibited, and
• The export duty, if applicable, has been paid,
The Proper Officer authorizes clearance and permits loading of goods for export.
The Proper Officer issues an „Entry Outwards" order (in case of export by sea/vessel)
Goods are loaded onto the transport vehicle/vessel for export with the permission of the person-in-charge of the conveyance
The person-in-charge submits the Export Manifest/Report
Proper Officer issues the final written order allowing the conveyance to leave the customs station
The Shipping Bill or Bill of Export (approved by the PO) is handed over to the person-in-charge of the conveyance
BIL
Proper Officer issues the final written order allowing the conveyance to leave the customs station

CN22 & CN23

1. Purpose and Importance of Customs Declarations

Both CN22 and CN23 forms serve as official customs declarations, providing crucial information to destination country customs authorities. Their primary purpose is to **accelerate customs clearance** by clearly detailing the contents, value, and origin of an item.

A core principle across both forms is the **sender's liability**. As stated on the CN22, "Your signature and the date confirm your liability for the item." The CN23 reiterates this, "I certify that the particulars given in this customs declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations." False or misleading declarations can have severe consequences, as highlighted by the CN23: "A false or misleading declaration may lead to a fine or to seizure of the item."

2. CN22 vs. CN23: Choosing the Right Form

The choice between a CN22 and a CN23 form is primarily dictated by the **value of the contents**.

- **CN22:** This form is used for items where the "value of the contents is more than 300 SDR" (Special Drawing Rights). The CN22 instructions recommend that "designated operators indicate the equivalent of 300 SDR in their national currency." It is a smaller form, typically "Size 74 x 105 mm, white or green."

- **CN23:** This form is required when the "value of the contents is more than 300 SDR." It is a larger form, "Size 210 x 148 mm," and offers more detailed fields for comprehensive declarations.

3. Key Information Required on Both Forms

Despite their differences, both forms share common essential information requirements:

- **Detailed Description of Contents:** Generic descriptions are strictly prohibited. For example, the CN22 instructs: "Give a detailed description (generic descriptions such as 'clothes' are not acceptable), quantity and unit of measure for each article, e.g. two men's cotton shirts." The CN23 reinforces this: "General descriptions, e.g., 'spare parts', 'samples' or 'food products' are not permitted."

- **Quantity and Value:** Senders must specify the "Quantity and detailed description of contents" (CN22) and "Value and currency" (CN22). The CN23 further elaborates on this, requiring "Quantity (2)" and "Value (5)" for each article, as well as "Total value (6)."

- **HS Tariff Number (Recommended for Commercial Items):** Both forms mention the "HS tariff number* (4)" (CN22) and "HS tariff number (7)" (CN23). This 6-digit number is "based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization." For commercial items, completing this field is "recommended" as it "will assist Customs in processing the items."

- **Country of Origin:** Both forms require "Country of origin* (5)" (CN22) and "Country of origin of goods (8)" (CN23). This refers to "the country where the goods originated, e.g. were produced, manufactured or assembled."

- **Reason for Export/Category of Item:** Senders must "Select a reason for export" (CN22), with "Gift" and "Sale of goods" being common options. The CN23 offers a broader "Category of item (10)" with options like "Gift," "Documents," "Returned goods," "Sale of goods," and "Commercial sample." It also notes: "'Gift' is not an acceptable reason for export for commercial items" (CN22).
- **Total Weight and Value:** Both forms require the total weight and value of the item. The CN22 asks for "Total weight (in kg) (6)" and "Total value (7)." The CN23 requests "Total gross weight (4)" and "Total value (6)."

4. Specific Requirements and Recommendations for CN23

The CN23, designed for higher-value shipments, demands more comprehensive details:

- **Sender and Importer/Addressee Details:** The CN23 includes dedicated sections for "From" (sender) and "To" (recipient) contact information, including name, business, street, postcode, city, country, and telephone number. For commercial items, "Importer/addressee reference (if any) (tax code/VAT No./importer code) (optional)" is also included, and it is recommended to "add importer/addressee telephone number and e-mail address, and sender telephone number."
- **Commercial Item Specifics:** For "Commercial items only," the CN23 allows for "Sender's customs reference (if any)" and "Importer/addressee fax/e-mail (if known)." It explicitly states that a "Commercial item means any goods exported/imported in the course of a business transaction, whether or not they are sold for money or exchanged."
- **Accompanying Documents:** The CN23 has fields for "No(s). of certificate(s)" and "No(s). of licence(s)," with instructions to "tick the appropriate box and state the number." It also emphasizes: "You should attach an invoice for all commercial items."
- **Quarantine and Restrictions:** The CN23 includes a "Comments (11)" section for "goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions." It places the responsibility on the sender: "It is your responsibility to enquire into import and export regulations (prohibitions, restrictions such as quarantine, pharmaceutical restrictions, etc.) and to find out what documents, if any (commercial invoice, certificate of origin, health certificate, licence, authorization for goods subject to quarantine (plant, animal, food products, etc.) are required in the destination country."
- **Placement of Declaration:** The CN23 instructions advise securely attaching "this customs declaration and accompanying documents... to the outside of the item, preferably in an adhesive transparent envelope." If enclosed inside, a label indicating its presence must be affixed externally.

5. General Instructions and Best Practices

Both forms emphasize the importance of accurate and complete information:

- **Language:** Declarations should be completed "in English, French or in a language accepted by the destination country."

- **Legibility:** "You must therefore complete your declaration fully and legibly; otherwise, delay and inconvenience may result for the addressee" (CN23).
- **Sender's Signature:** A signature and date are required on both forms to confirm the sender's liability.

In summary, proper completion of customs declaration forms is paramount for efficient international shipping. Senders must accurately detail contents, values, and origins, adhering to specific form requirements based on item value and nature. Failure to comply can lead to delays, fines, or even seizure of goods.

ALL ABOUT ICEGATE

Services **available on the ICEGATE (Indian Customs EDI Gateway)** and DGFT (Directorate General of Foreign Trade) portals, which are critical platforms for exporters, importers, and other stakeholders in foreign trade.

General Services & Support

Service Name	Description
Jan Sunwai Facility	Public grievance redressal platform for trade-related issues.
DGFT Helpdesk Service	Support for queries related to DGFT schemes, licensing, etc.
Info for Customs Authorities	Information sharing between DGFT and Customs.

IEC and Profile Management

Service Name	Description
IEC Profile Management	Manage Importer Exporter Code (IEC) details.
View IEC Related Details	View and verify IEC profile information.
Verify UDIN	Verify Unique Document Identification Number for documents issued by Chartered Accountants.

Authorisations & Licensing

Service Name	Description
Advance Authorisation / DFIA	Avail duty exemptions for inputs used in export products.
EPCG	Export Promotion Capital Goods scheme for importing capital goods at concessional duty.

Import/Export Systems

Service Name	Description
Import Management System	Tracks and manages import authorisations.

Export Management System	Tracks export obligations and authorisations.
Online e-COM Application	Apply online for various DGFT schemes and authorisations.
Other Services	Miscellaneous services offered by DGFT/ICEGATE.

Export Incentive Schemes

Service Name	Description
MEIS	Merchandise Exports from India Scheme (now phased out).
SEIS	Service Exports from India Scheme.
RoSCTL	Rebate of State & Central Taxes and Levies for garments and textiles.
Transport & Marketing Assistance	Financial support for transporting and marketing agricultural exports.

Trade Disputes & Complaints

Service Name	Description
Quality Complaints & Trade Disputes	File and resolve disputes regarding product quality or trade contracts.

Deemed Export & Certification

Service Name	Description
Deemed Export	Benefits for supplies counted as exports (e.g., to SEZ, EOU, etc.).
Certificate Management	Manage various export/import-related certificates.
Certificate of Origin	Apply for certificate required to establish country of origin for exports.

Regulatory & Legal Services

Service Name	Description
Policy Relaxation Committee	Apply for relaxations under foreign trade policy.
Enforcement Cum Adjudication	Handle non-compliance and penalty proceedings under DGFT rules.

Payments, Refunds & Memberships

Service Name	Description
e-Miscellaneous Payments / e-Refunds	Make payments and claim refunds electronically.
E-RCMC	Apply for or manage Registration Cum Membership Certificate.

Sector-Specific Services

Service Name	Description
Gems & Jewellery Schemes	Special schemes and benefits for gem and jewellery exporters.
Pre-Shipment Inspection	Certification and inspection services before shipment.
Interest Equalization Scheme	Interest subsidy for eligible exporters on pre/post shipment credit.

Air Freight & Shipping Terms

Term	One-Liner Explanation
Air Freight	Transport of goods via air cargo.
Airway Bill (AWB)	A document issued by an airline as proof of air cargo shipment.
Authorized Dealer (AD) Code	A bank code registered with customs for foreign exchange transactions.
Bank Realization Certificate (BRC)	Proof of foreign currency received against exports.
Bill of Entry (BoE)	A document filed by importers to clear goods from customs.
Bill of Lading (BL or BoL)	A legal document between shipper and carrier for ocean shipment.
Cargo	Goods or products transported.
Carriage and Insurance Paid (CIP)	Seller pays freight and insurance up to destination.
Certificate of Inspection	Certifies that goods were inspected before shipment.
Container Freight Station (CFS)	Facility for consolidation or deconsolidation of cargo.
Cost Insurance Freight (CIF)	Seller pays cost, insurance, and freight to port of destination.
Custom Duty	Tax imposed on imports and exports.
Delivered at Place (DAP)	Seller delivers goods ready for unloading at buyer's place.
Delivered Duty Paid (DDP)	Seller bears all costs including import duties to deliver goods.
DGFT	Directorate General of Foreign Trade - regulates Indian exports/imports.
Export	Selling goods to a foreign country.
Freight	Charges for transporting goods.
Full Container Load (FCL)	Cargo that occupies a full shipping container.
ICEGATE	Indian Customs Electronic Gateway for trade facilitation.
IEC (Importer Exporter Code)	Mandatory 10-digit number for import/export in India.
Import General Manifest (IGM)	Document with cargo details submitted before goods arrive.
Incoterms	International commercial terms defining buyer/seller responsibilities.

Less than Container Load (LCL)	Cargo that doesn't fill a full container; shipped with other goods.
Letter of Credit (LC)	A bank document guaranteeing payment to exporter.
Logistics	Management of transportation and storage of goods.
Ocean Freight	Transport of goods via sea.
Over Dimensional Cargo (ODC)	Cargo exceeding standard container dimensions.
Sea Waybill	Non-negotiable receipt for ocean cargo shipment.
Shipper's Letter of Instruction (SLI)	Instructions given by exporter to freight forwarder.
Shipping	Movement of goods from one place to another.

Shipping Documents

Document	**One-Liner Explanation**
Bill of Lading (BL or BoL)	Legal document between exporter and carrier for ocean cargo.
Sea Waybill	Non-negotiable alternative to bill of lading for sea shipments.
Airway Bill (AWB)	Non-negotiable air transport document.
Bill of Entry (BoE)	Customs document for importing goods.
Import General Manifest (IGM)	Document listing cargo aboard a vessel.
Shipping Instructions	Exporter's shipment details given to carrier or freight forwarder.

Transportation & Logistics

Term	**One-Liner Explanation**
Cargo	Goods being transported.
Freight	Cost paid for transportation.
Ocean Freight	Shipping of goods via ocean.
Air Freight	Transport of goods by air.
Carrier	Entity responsible for transporting goods.
Vessel	Ship used to carry cargo.
Shipping Line	Company providing sea transport services.
Shipping Agent	Representative handling shipping formalities.

Shipping Schedule	Planned timetable of vessel departures and arrivals.
Transit Time	Duration taken to transport goods from origin to destination.
Demurrage	Charges for holding containers at port beyond free time.
Detention	Charges for keeping container beyond allowed free time outside the port.
Freight Forwarder	Company that arranges cargo movement for shippers.
Consolidation	Combining small shipments into one container.
Deconsolidation	Splitting consolidated cargo into individual shipments.
Containerization	Packing goods into containers for transport.
Break Bulk Shipping	Shipping goods that are not containerized.

Incoterms 2020

Incoterm	One-Liner Explanation
EXW – Ex Works	Buyer takes responsibility from seller's premises.
FCA – Free Carrier	Seller hands goods to carrier at named location.
FAS – Free Alongside Ship	Seller delivers goods alongside vessel.
FOB – Free on Board	Seller loads goods onto vessel at port.
CFR – Cost and Freight	Seller pays cost and freight; buyer handles insurance.
CIF – Cost, Insurance & Freight	Seller pays cost, freight and insurance.
CPT – Carriage Paid To	Seller pays transport up to named destination.
CIP – Carriage & Insurance Paid	Seller pays transport and insurance.
DAP – Delivered at Place	Seller delivers at buyer's premises excluding import duty.
DPU – Delivered at Place Unloaded	Seller delivers and unloads goods at destination.
DDP – Delivered Duty Paid	Seller handles all costs including customs and delivery.

Customs & Clearance

Term	One-Liner Explanation
Customs Clearance	Process of clearing goods through customs.
Customs Broker	Licensed professional handling customs documentation.

Harmonized System (HS) Codes	Standardized classification for international trade.
Tariff Codes	Codes to determine import/export duties.
Export Control Classification Number (ECCN)	Code defining export restrictions for specific products.

UL 000 000 014 CA

Optional. Must meet S10 standard, including barcode height

CUSTOMS DECLARATION May be opened officially **CN 22**

Designated operator

Important!
See instructions on the back

☐	Gift	☐	Commercial sample
☐	Documents	☐	Returned goods
☐	Sale of goods	☐	Other (please specify):____________

Quantity and detailed description of contents (1)	Net weight (2)	Value and currency (3)	H S tariff number* (4)	Country of origin* (5)
Total weight *(in kg)* (6)		Total value (7)		

I, the undersigned, whose name and address are given on the item, certify that the particulars given in this declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations

Date and sender's signature (8)

Size 74 x 105 mm, white or green

CN 22 (Back)

Instructions

To accelerate customs clearance, you must complete all applicable fields, and fill in this form in English, French or in a language accepted by the destination country. If the value of the contents is more than 300 SDR, you must use a CN 23 form. You must give the sender's full name and address on the front of the item.

For commercial items, it is recommended that you complete the fields marked with an asterisk (*), and attach an invoice to the outside, as it will assist Customs in processing the items.

Select a reason for export. ("Gift" is not an acceptable reason for export for commercial items.)

(1) Give a detailed description (generic descriptions such as "clothes" are not acceptable), quantity and unit of measure for each article, e.g. two men's cotton shirts.

(2), (3) Give the weight and value with currency for each article, e.g. CHF for Swiss francs.

(4*) The HS tariff number (6 digits) is based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization.

(5*) Country of origin means the country where the goods originated, e.g. were produced, manufactured or assembled.

(6), (7) Give the total value and weight of the item.

(8) Your signature and the date confirm your liability for the item.

Note. – It is recommended that designated operators indicate the equivalent of 300 SDR in their national currency

CUSTOMS DECLARATION

CN 23

(Designated operator)

From

Name		Sender's customs reference (if any)
Business		
Street	Tel. No.	
Postcode	City	
Country		

No. of item (barcode, if any)

May be opened officially

Important!
See instructions on the back

To

Name	
Business	
Street	Tel. No.
Postcode	City
Country	

Importer/addressee reference (if any) (tax code/VAT No./importer code) (optional)

Importer/addressee fax/e-mail (if known)

Detailed description of contents (1)	Quantity (2)	Net weight (in kg) (3)	Value (5)	For commercial items only HS tariff number (7)	Country of origin of goods (8)
		Total gross weight (4)	Total value (6)	Postal charges/Fees (9)	

Category of item (10)

- [ ] Gift
- [ ] Documents
- [ ] Commercial sample
- [ ] Returned goods
- [ ] Sale of goods
- [ ] Other (please specify): ______________________

Explanation:

Office of origin/Date of posting

Comments (11): (e.g.: goods subject to quarantine, sanitary/phytosanitary inspection or other restrictions)

I certify that the particulars given in this customs declaration are correct and that this item does not contain any dangerous article or articles prohibited by legislation or by postal or customs regulations

[ ] Licence (12)	[ ] Certificate (13)	[ ] Invoice (14)	Date and sender's signature (15)
No(s). of licence(s)	No(s). of certificate(s)	No. of invoice	

Size 210 x 148 mm

Instructions

You should attach this customs declaration and accompanying documents securely to the outside of the item, preferably in an adhesive transparent envelope. If the declaration is not clearly visible on the outside, or if you prefer to enclose it inside the item, you must fix a label to the outside indicating the presence of a customs declaration.

To accelerate customs clearance, complete this declaration in English, French or in a language accepted in the destination country. If available, add importer/addressee telephone number and e-mail address, and sender telephone number.

To clear your item, the Customs in the country of destination need to know exactly what the contents are. You must therefore complete your declaration fully and legibly; otherwise, delay and inconvenience may result for the addressee. A false or misleading declaration may lead to a fine or to seizure of the item.

Your goods may be subject to restrictions. It is your responsibility to enquire into import and export regulations (prohibitions, restrictions such as quarantine, pharmaceutical restrictions, etc.) and to find out what documents, if any (commercial invoice, certificate of origin, health certificate, licence, authorization for goods subject to quarantine (plant, animal, food products, etc.) are required in the destination country.

Commercial item means any goods exported/imported in the course of a business transaction, whether or not they are sold for money or exchanged.

(1) Give a detailed description of each article in the item, e.g. "men's cotton shirts". General descriptions, e.g. "spare parts", "samples" or "food products" are not permitted.

(2) Give the quantity of each article and the unit of measurement used.

(3) and (4) Give the net weight of each article (in kg). Give the total weight of the item (in kg), including packaging, which corresponds to the weight used to calculate the postage.

(5) and (6) Give the value of each article and the total, indicating the currency used (e.g. CHF for Swiss francs).

(7) and (8) The HS tariff number (6-digit) must be based on the Harmonized Commodity Description and Coding System developed by the World Customs Organization. "Country of origin" means the country where the goods originated, e.g. were produced/manufactured or assembled. Senders of commercial items are advised to supply this information as it will assist Customs in processing the items.

(9) Give the amount of postage paid to the Post for the item. Specify separately any other charges, e.g. insurance.

(10) Tick the box or boxes specifying the category of item.

(11) Provide details if the contents are subject to quarantine (plant, animal, food products, etc.) or other restrictions.

(12), (13) and (14) If your item is accompanied by a licence or a certificate, tick the appropriate box and state the number. You should attach an invoice for all commercial items.

(15) Your signature and the date confirm your liability for the item.

FORM-I
(see regulation 4)
Postal Bill of Export – I (PBE - I)
(For export of goods through E-Commerce)
(To be submitted in duplicate)

Bill of Export No. and date.	Foreign Post office code	Name of Exporter	Address of Exporter	IEC	State code	GSTIN or as applicable	AD code (if applicable)	Details of Customs Broker	
								License No.	Name and address

	Declarations	Yes/No as applicable
1.	We declare that we intend to claim rewards under Merchandise Exports from India Scheme (MEIS) (for export through Chennai / Mumbai / Delhi FPO only).	
2.	We declare that we intend to zero rate our exports under Section 16 of IGST Act.	
3.	We declare that the goods are exempted under CGST/SGST/UTGST/IGST Acts.	

We hereby declare that the contents of this postal bill of export are true and correct in every respect.

(Signature of the Exporter/ Authorised agent)

Examination order and report

Let Export Order: Signature of officer of Customs along with stamp and date.

Details of parcel													
Sl. No	**Consignee details**		**Product details**				**Details of Parcel**			**E -commerce particulars**			
	Name and Address	Country of destination	Description	CTH	Quantity		Invoice no. and date	Weight		URL (Name) of website	Payment transaction ID	SKU No.	Postal tracking number
					Unit (pieces, litres, kgs., meters)	number		Gross	net				
1	2	3	4	5	6	7	8	9		11	12	13	14

Assessable value under section 14 of the Customs Act				**Details of Tax invoice or commercial invoice (whichever applicable)**				**Details of duty/ tax**									**Total**	
FOB	Currency	Exchange rate	Amount in INR	H.S code	Invoice details		value	**Customs duties**				**GST details**						
					invoice no. and date	Sl. No. of item in invoice		Export duty		Cess		IGST (if applicable)		Compensation cess (if applicable)		LUT/ bond details (if applicable)	duties	cess
								rate	amount	rate	amount	rate	amount	rate	amount			
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33

FORM-II
(see regulation 4)
Postal Bill of Export – II
(*To be submitted in duplicate*)

Bill of Export No. and date.	Foreign Post office code	Name of Exporter	Address of Exporter	IEC	State code	GSTIN or as applicable	AD code (if applicable)	Details of Customs Broker	
								License No.	Name and address

	Declarations	Yes/No as applicable
1	We declare that we intend to claim rewards under Merchandise Exports from India Scheme (MEIS)(for export through Chennai / Mumbai / Delhi FPO only).	
2	We declare that we intend to zero rate our exports under Section 16 of IGST Act.	
3	We declare that the goods are exempted under CGST/SGST/UTGST/IGST Acts.	

We hereby declare that the contents of this postal bill of export are true and correct in every respect.

(Signature of the Exporter/ Authorised agent)

Examination order and report

Let Export Order: Signature of officer of Customs along with stamp and date.

Details of parcel														
Consignee details		**Product details**				**Details of Parcel**			Postal tracking number	**Assessable value under section 14 of the Customs Act**			
Name and Address	Country of destination	Description	CTH	Quantity		Invoice no. and date	Weight			FOB	Currency	Exchange rate	Amount in INR
				Unit (pieces, liters, kgs., meters)	number		Gross	net					
1	2	3	4	5	6	7	8		10	11	12	13	14

Details of Tax invoice or commercial invoice (whichever applicable)				**Details of duty/ tax**										
H.S code	Invoice details		value	**Customs duties**				**GST details**					**total**	
	invoice no. and date	Sl. No. of item in invoice		Export duty		Cess		IGST (if applicable)		Compensation cess (if applicable)		LUT/ bond details (if applicable)	duty	cess
				rate	amount	rate	amount	rate	amount	rate	amount			
15	16	17	18	19	20	21	22	23	24	25	26	27	28	29

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