




Module 5: Trade Operations and Documentations

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Module 5: Trade Operations and Documentations

Session 1	Step by Step Process of getting started in Export – Import
Session 2	Drafting an export sales contract; Negotiating suitable INCO Terms
Session 3	Getting tuned to Operational issues in international business
Session 4	Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo
Session 5	Export clearance and Incentive assessment



Module 5: Trade Operations and Documentations

Session 1/5 Step by
Step Process of
getting started in Export –
Import



Focus States and Crops

Uttar Pradesh

- Mango
- Green Chilli



Rajasthan

- Cumin
- Coriander



Odisha

- Turmeric
- Ginger





A comprehensive, step by step guide to get started in export-import



Sole Proprietary firm/ Partnership
Company


1. Establishing an Organization



2. Opening a Bank Account


Current Account with a Bank authorized to deal in foreign exchange





3. Obtaining Permanent Account Number (PAN)

PAN card from Income Tax
Department



4. Obtaining Importer – Exporter Code (IEC) Number

IEC Code from DGFT

5. Registration cum Membership Certificate (RCMC)

RCMC from Export Promotion
Councils/ FIEO/ Commodity
Boards/Authorities





6. Selection of Product

Market size, Competition, Quality Requirements, Payment terms etc; export benefits like FTP etc



7. Finding of Buyers

Trade fairs/ Buyer – Seller
Meets/ Exhibitions. B2B portals/
web browsing/ Indian Missiona
overseas, Product catalogue etc



8. Sampling

Providing trade and technical samples





9. Pricing / costing

Selling at competitive price
with maximum profit
marking; Free on Board
(FOB), Cost, Insurance and
Freight (CIF)

10. Negotiation with buyers

Reasonable allowances/
Discount in price



11. Covering Risks through ECGC

Appropriate policy from
Export Credit Guarantee
Corporation (ECGC)





12. Processing of an Export Order

Carefully examine an export order
and enter into a formal contract with
overseas buyer

12.A. Confirmation of Order



12.B. Procurement of Goods

After order confirmation go for
procurement/ manufacture of
goods



12.C. Quality control

Strict quality control; Pre-shipment inspection, Buyer standards/ specifications, inspection



12.D. Finance

Pre-shipment and post-shipment finance from commercial banks at concessional rates (180 days); Packing credit-advance (for new exporters) 75% to 90% advances on value of export. Post-shipment 90% advances (180 days)





12.E.

Labeling, Packaging, Packing and Marking

Label, Package and Pack as per Buyer instructions

12.F.

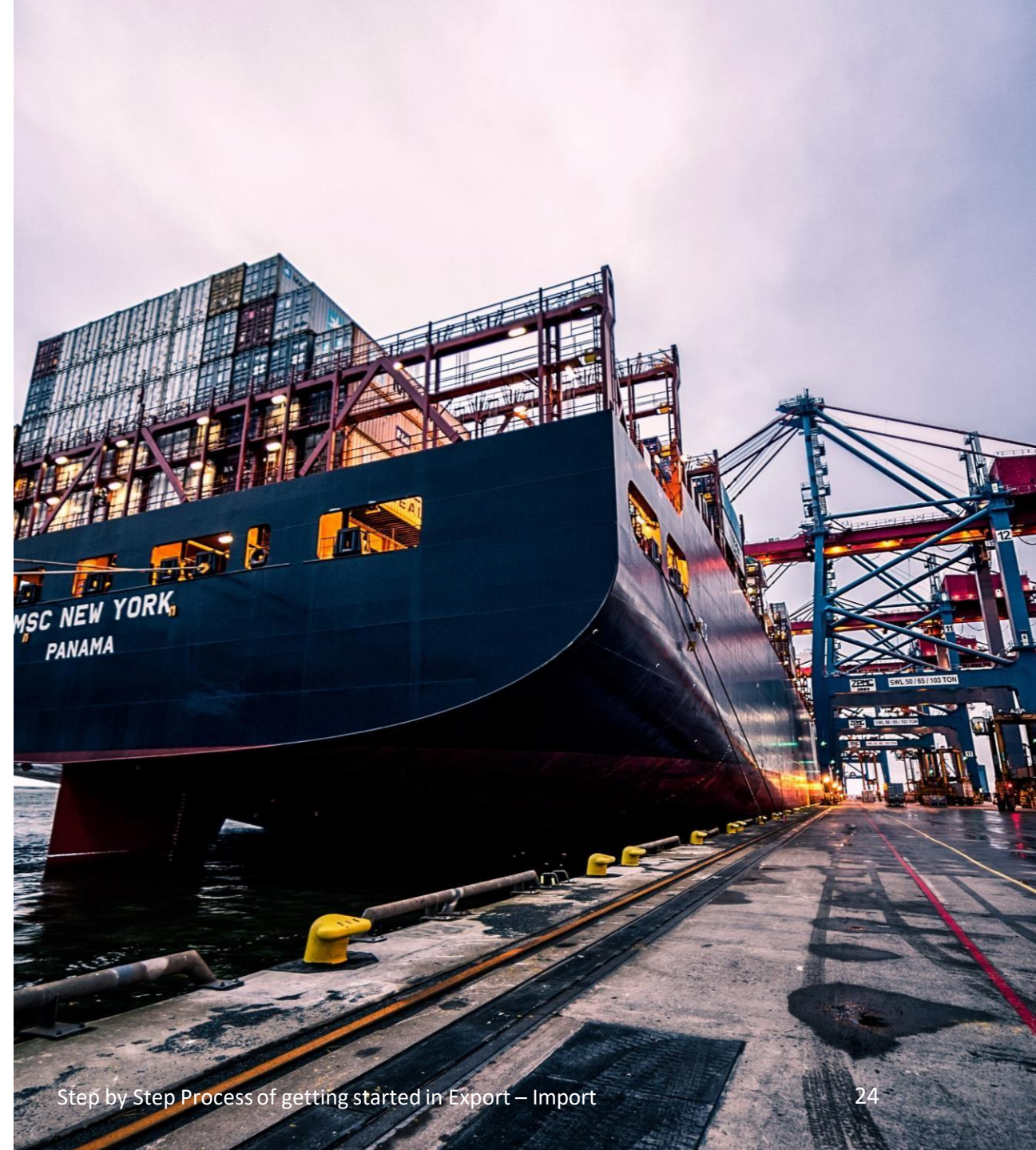
Insurance

Marine Insurance Policy covers loss/ damage during transit; In CIF the exporters takes Insurance and in C&F and FOB the Importer takes the Insurance.



12.G. Delivery

Fast and efficient delivery to meet delivery schedule.



12.H.

Customs and procedures

Get PAN based Business Identification Number (BIN) from Customs; Fill up relevant forms and as per formats



12.1. Customs House Agents

Customs House Agents are professionals licenced by the Commissioner of Customs who facilitate clearance of cargo from customs





12.J. Documentation

Mandatory documents: Bill of Lading/ Airway Bill, Commercial Invoice cum packing list, Shipping bill/ bill of export/ bill of entry..and other documents as per case.


13. Submission of documents to the bank

Within 21 days of shipment documents are required to be submitted to Bank for onward dispatch to foreign bank to arrange payment – Collection/ Purchase/ Negotiation under L/C.



13.A. Bill of exchange





13.B. Letter of Credit (if shipment under L/C)



13.C. Invoice





13.D. Packing list

13.E.

Airway Bill/ Bill of Lading



13.F.

Declaration under Foreign Exchange

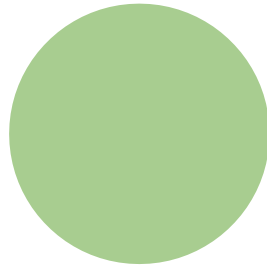


13.G.

Certificate of Origin/ GSP



13.H. Inspection Certificate (wherever necessary)



13.I.

Any other document as required in the L/C or by the buyer or statutorily



14.

Realization of Export Proceeds

Export proceeds should be realized in 9 months; export contracts and invoices shall be denominated in freely convertible currency of Indian Rupees, except for export to Iran



Thank you

