

**Global Marketing Management**  
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**Indian Institute of Technology- Roorkee**

**Lecture – 33**  
**Export/Import Management – Part II**


Welcome to this course that is global marketing management and we will be discussing about export and import management and in module 32 we have started talking about Export Import management and you will continue with the same in module 33 and 34 as well.


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**Module Overview**

- 1. Organizing for Exports
- 2. Indirect Exporting
- 3. Direct Exporting
- 4. **Mechanics of Exporting (Continued)**

Already Discussed  
in Module 32



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In module 32, we have talked about the first three points that is organising for exports, indirect exporting, direct exporting and fourth topic that is mechanism of exports was started there and we will continue with this topic in module 32 also. So, now the first step in this process is processing an export order.

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#### 4. Mechanics of Exporting

- **Processing an Export Order:** It involves the following steps
- **1 . Confirmation of order**
- On receiving an export order, it should be examined carefully in respect of **items, specification, payment conditions, packaging, delivery schedule**, etc. and then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.



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So, it involves the following steps. The first step is the confirmation of the order. So, on receiving the export order so as whenever the exporter receives an order to export something, so this order should be examined carefully in respect of items, what are the different types of items that the importer wants, what are the specifications of each item, what are the payment conditions. We have talked about the payment condition in model 32.

What is the packaging that they require lower, do they want each item to be package differently or separately or various items can be package in one package and the delivery schedule? So, what amounts of items are to be delivered when and where. So, these are some of the things that are to be checked in this export order and only then the order should be confirmed. Accordingly, the exporter may enter into a formal contract with the overseas buyer.

Because not having given thought to all these items so that can land exporter in trouble and because of these the cost of the item can increase or decrease drastically.

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### Mechanics of Exporting

- **2 . Procurement of Goods** :After confirmation of the export order, immediate steps may be taken for procurement / manufacture of the goods meant for export. It should be remembered that the order has been obtained with much efforts and competition so the procurement should also be strictly as per buyer's requirement.



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Second step, after having confirmed the export order, the second step in this process is procurement of goods. So, after confirmation of that food order immediate steps should be taken for procurement or manufacture of the goods that are to be exported and it should be remembered that the order has been obtained after much efforts and competition. So, the procurement should also be strictly as per the buyer's requirement.

Because if the procurement is not in accordance with the buyer's requirement then the end product will also be not according to the requirement and therefore that can lead to the cancellation of order and which will in turn lead to lot of losses for the exporter.

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### Mechanics of Exporting

- **3 . Quality Control**: In today's competitive era, it is important to be strictly quality conscious about the export goods. Some products like food and agriculture, fishery, certain chemicals, etc. are subject to **compulsory pre-shipment inspection**. Foreign buyers may also lay down their own standards/specifications and insist upon inspection by their own nominated agencies. Maintaining high quality is necessary to sustain in export business.



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After procurement of the goods and other important step is quality control that is to check the quality of all the individual items and whatever and the procurement of the raw material. So, because in today's competitive era it is important to be strictly quality conscious about the export goods. Some products like food and agriculture, fisheries, some types of chemical sector etc., are subject to compulsory pre-shipment inspection.

So, before the goods are shipped the inspection is carried out that is pre-shipment inspection. So, this happens in many food and agriculture and fisheries and some other chemicals. Foreign buyer may also lay down their own standards or specifications and insist upon inspection by their own nominated agencies. So, they send you the order and you make all those items that is that are required by the importer and then before you ship they will send the people to check for the quality.

But it is not for all the items with there are only certain amount was at the certain items on which this pre-shipment inspection is carried out. So maintaining high quality is necessary to sustain in export business.

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**Mechanics of Exporting**

- **4 . Finance:** Exporters are eligible to obtain **pre-shipment** and **post-shipment** finance from Commercial Banks at concessional interest rates to complete the export transaction.
- **Packing Credit** advance in pre-shipment stage is granted to new exporters against lodgment of L/C or confirmed order for **180 days** to meet working capital requirements for purchase of raw material/finished goods, labour expenses, packing, transporting, etc.



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The fourth step is financing. Exporters are eligible to obtain pre-shipment and post-shipment finance from commercial banks at concessional interest rates to complete the export transaction. These are two types of finances, that is, one is pre-shipment and another is post-shipment. Pre-

shipment as the name suggests is before the shipment and post shipment is after the shipment is made. Then they can also get some kind of packing credit. So, advance in pre shipment stage is guaranteed to exporters against lodgment of letter of credit or confirmed orders for 180 days to meet working capital requirements for purchase of raw material, finished goods, labour expenses, packing and transporting.

So, in addition to pre shipment and post shipment credit, exporters they can also take packing credit and that is for 180 days as so that the exporter can cater to the working capital requirements.

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**Mechanics of Exporting**

- **Post Shipment** finance is given to exporters normally upto 90% of the invoice value for normal transit period and in cases of usance export bills upto notional due date. The maximum period for post-shipment advances is **180 days** from the date of shipment.

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Post shipment finance is given to the exporters normally upto 90% of the invoice value for normal transit period and in cases of export bills upto normal notional due date. The maximum period for post shipment advance is 180 days from the date of shipment.

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### Mechanics of Exporting

- **5 . Labeling, Packaging, Packing and Marking:** The export goods should be labeled, packaged and packed strictly as per the buyer's specific instructions.
- Good packaging delivers and presents the goods in top condition and in attractive way.
- Similarly, good packing helps easy handling, maximum loading, reducing shipping costs and to ensuring safety and standard of the cargo.
- Marking such as address, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of cargo packed.



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The next important thing in this process is labeling, packaging, packing and marking. Export goods should be labeled, packaged and packed strictly as per the buyer's specific instructions. Good packaging delivers and presents the goods in top condition and in an attractive way. Similarly, good packing helps easy handling maximum loading, reducing shipping cost and to ensure safety and standard of the cargo.

Marking such as address, package number, port and place of destination, weight handling instruction etc. provide us identification and information of cargo packed.

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### Mechanics of Exporting

- **Post Shipment** finance is given to exporters normally upto 90% of the Invoice value for normal transit period and in cases of usance export bills upto notional due date. The maximum period for post-shipment advances is **180 days** from the date of shipment.



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So, after having got the finance and before making shipment it is important that the exporter should be doing this labeling, packaging, packing and marking strictly according to the buyer's requirement and also such that it helps in shipment.

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### Mechanics of Exporting

- **6 . Insurance:** Marine insurance policy covers risks of loss or damage to the goods while the goods are in transit. Generally in CIF contract the exporters arrange the insurance whereas for C&F and FOB contract the buyers obtain insurance policy.
- **7 . Delivery:** It is important feature of export and the exporter must adhere the delivery schedule. Planning should be there to let nothing stand in the way of fast and efficient delivery.



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Next is Insurance, insurance of goods in case of transit. So marine insurance policy covers loss or damage to the goods during the transit. Generally, in CIF contract Cost Insurance and freight contract, the exporter arranges for the insurance whereas for C&F and FOB contract, the buyers obtain insurance policy. So number of things can go wrong when the goods are transferred from the origin to the destination. So exporters or importer they have to take insurance for any kind of damage or loss of goods during transit.


So, the seventh step of this process is delivery. So, it is important feature of exports and the exporter must adhere to the delivery schedule. Planning should be there to let nothing stand in the way of fast and efficient delivery.

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## Mechanics of Exporting

- **8 . Customs Procedures:** It is necessary to obtain PAN based Business Identification Number (BIN) from the Customs prior to filing of shipping bill for clearance of export good and open a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system.




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The eighth step is the customs procedure it is necessary to obtain Pan based business identification number from the customs, prior to filing of shipping bill for clearance of export goods and open a current account in the designated bank for crediting of any drawback amount and the same has to be registered on the system. So, there is a several goods they have some drawback attached to them. So there in order to get this drawback all these things are important to be done.

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## Mechanics of Exporting

- In case of Non-EDI, the shipping bills or bills of export are required to be filled in the format as prescribed in the Shipping Bill and Bill of Export (Form) regulations, 1991.
- An exporter need to apply different forms of shipping bill/ bill of export for export of **duty free** goods, export of **dutiable** goods and export **under drawback** etc.
- Under EDI System, declarations in prescribed format are to be filed through the Service Centers of Customs.




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In case of non EDI that is Electronic data interchange, the shipping bills or bills of exports are required to be filled in the format as prescribed in the shipping bill and bill of export form regulation 1991. And exporter need to apply different forms of shipping bills or bill of export for



export of duty free goods, export of dutiable goods and export under drawbacks. Under the EDI system that is Electronic data interchange system declarations in prescribed format or to be filed through the service centers of the Customs.

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### Mechanics of Exporting

- **9 . Customs House Agents:** Exporters may avail services of Customs House Agents licensed by the Commissioner of Customs. They are professionals and facilitate work connected with clearance of cargo from Customs.



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Then there are certain Custom House Agents. Exporters may avail services of Custom House agents licensed by the Commissioner of customs. So, look for only those house agents who are authorized and who are commissioned by the Commissioner of customs they are professional and facilitate work connected with clearance of cargo for customs.

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### Mechanics of Exporting

- **10 . Documentation:** Foreign Trade Policy(FTP) 2015-2020 describe the following mandatory documents for import and export.
  - **Bill of Lading/ Airway bill.**
  - **Commercial invoice cum packing list.**
  - **Shipping bill/ bill of export/ bill of entry (for imports).**(Other documents like certificate of origin, inspection certificate etc. may be required as per the case.)



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The tenth step is documentation so foreign trade policy 2015-2020 describes the following mandatory documents for imports and exports. The first is bill of lading or airway bill. The second is commercial invoice-cum-packing list and the third is shipping bill or bill of exports or bill of entry for imports. Other documents like certificate of origin, inspection certificate etc. may be required as per the case.

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**Mechanics of Exporting**

- **11 . Submission of documents to Bank:** After shipment, it is obligatory to present the documents to the Bank within 21 days for onward dispatch to the foreign Bank for arranging payment. Documents should be drawn under Collection/Purchase/Negotiation under L/C as the case may be, along with the following documents:
  - Bill of Exchange
  - Invoice
  - Packing List
  - Airway Bill/Bill of Lading



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Eleventh step is submission of documents, all these documents that we have talked about earlier, to the banks. So, after shipment it is obligated to present documents to the bank within 21 days for onward dispatched to the foreign bank for arranging payment. So, when we were talking about those kind of payment system like DA and DP that is document against acceptance or document against payment so these are the documents that we are talking about.

The documents should be drawn under collection/purchase/negotiation under letter of credit as the case may be, along with the following documents. One is the bill of exchange, invoice, packing list and airway bill or bill of lading.

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## Mechanics of Exporting

- Declaration under Foreign Exchange
- Certificate of Origin/GSP
- Inspection Certificate, wherever necessary
- Any other document as required in the L/C or by the buyer or statutorily.
- **12 . Realization of Export Proceeds:** As per FTP 2015-2020, all export contracts and invoices shall be denominated either in freely convertible currency of Indian rupees, but export proceeds should be realized in freely convertible currency except for export to Iran.
- Export proceeds should be realized in 9 months.



Declaration under foreign exchange, certificate of origin, inspection certificate wherever necessary, that is, pre-shipment inspection or any other document as required in the LC or by the buyer or statutorily. The next step is realization of export proceeds. So now the export has been made and all kind of documents have been arranged and you have also taken lots of loans for making that transaction.

So now comes the step where you are to reap the benefits of all this. So that is realisation of export proceeds. So as per the foreign trade policy 2015-2020, all export contracts invoices shall be nominated either in freely convertible currency of Indian rupees or Indian rupees but export proceeds should be released in freely convertible currency except for exports to Iran.

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## Mechanics of Exporting

### Movement of export consignment from factory onwards

- **STEP I: Goods readiness & documentation**
- Once the goods are ready duly packed in cases/cartons (depending upon the mode of dispatch), the invoice is prepared by the exporter.
- If the number of packages is more than one, a packing list is also required.



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Export proceeds should be released within 9 months. Now let us how the movement export consignment from factory onward happens. So, the first step is goods readiness and documentation. Once the goods are ready duly packed in cases or cartons depending upon the mode of dispatch the invoice is prepared by the exporter. If the number of packages are more than one, a packing list is also required.

So, all these packages, they are then listed on this packing list so there are different number of packages and all this packages are then listed on this packing list.

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## Mechanics of Exporting

- Even if the goods to be exported are excisable, no excise duty need be charged at the time of export, as export goods are exempt from Central Excise, but the ARE-I (earlier AR4) procedure is to be followed for claiming such an exemption.
- Similarly, no VAT is payable for export of goods. Exporters apply for exemption through VAT Form 15 or CST Form H.
- Exporter applies for Certificate of Origin (Non –Preferential) or Preferential ,if required by buyer.

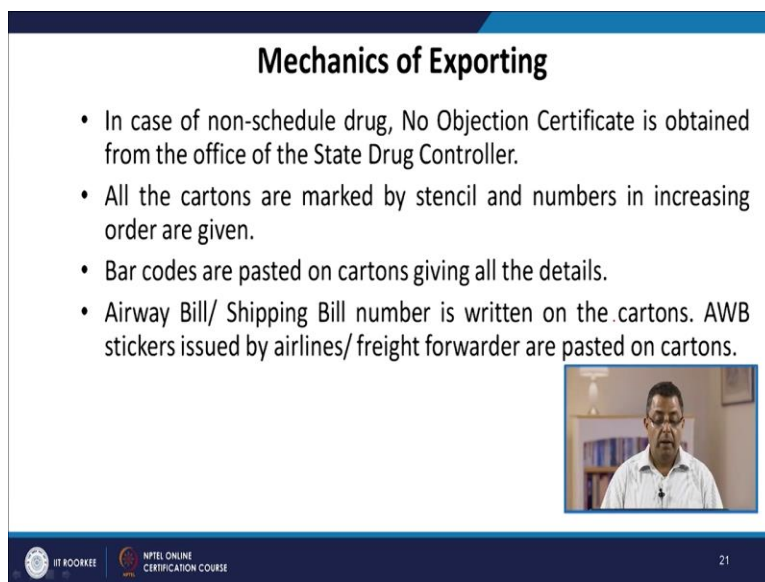


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Even if the goods to be exported are exercisable no exercise duty need to be charged at the time of export. As export goods are exempted from Central Excise but the ARE-1 earlier that was a AR4 procedure is to be followed for claiming such an exemption. Similarly, no VAT is payable for export of goods exporters apply for exemption through from VAT form 15 or CST form H. Exporters apply for certificate of origin that is non-preferential are preferential if required by the buyer.

So, sometimes the buyer says that they want a particular good from somewhere. In that case, the certificate of origin is required.

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**Mechanics of Exporting**

- In case of non-schedule drug, No Objection Certificate is obtained from the office of the State Drug Controller.
- All the cartons are marked by stencil and numbers in increasing order are given.
- Bar codes are pasted on cartons giving all the details.
- Airway Bill/ Shipping Bill number is written on the cartons. AWB stickers issued by airlines/ freight forwarder are pasted on cartons.

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In case of non-scheduled drugs, no objection certificate would be obtained from the office of the state drug controller. All the cartons are marked by stencils and numbers in increasing order are given. Barcodes are pasted on cartons giving all the details. Airway bill/ shipping bill number is written on the cartons. Airways bill sticker issued by airlines/ freight forwarders are pasted on the cartons.

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## Mechanics of Exporting

- **STEP II : Goods removal from works**
- There are different procedures for removing Export consignments to the Port, following the ARE I procedure, but Factory stuffing under Excise Supervision is preferred so that physical inspection by Customs authorities at the Port can be avoided.
- If export consignments are removed from the factory of manufacture, following the ARE-I procedure, claiming exemption of excise duty, requires the exporter to provide proof of export to the Central Excise authorities.





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The next step is goods removal from works. There are different procedures for removing export consignments to the port following the ARE-1 procedure but factory stuffing under excise supervision is preferred so that the physical inspection by custom authority at the port can be avoided. So, that you do carry out in the factory premises all only instead of getting them inspected at the port.


If export consignments are removed from the factory of manufacturing following ARE-1 procedure, leaving the exemption of excise duty requires the exporters to provide proof of export to the central excise authorities.

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## Mechanics of Exporting

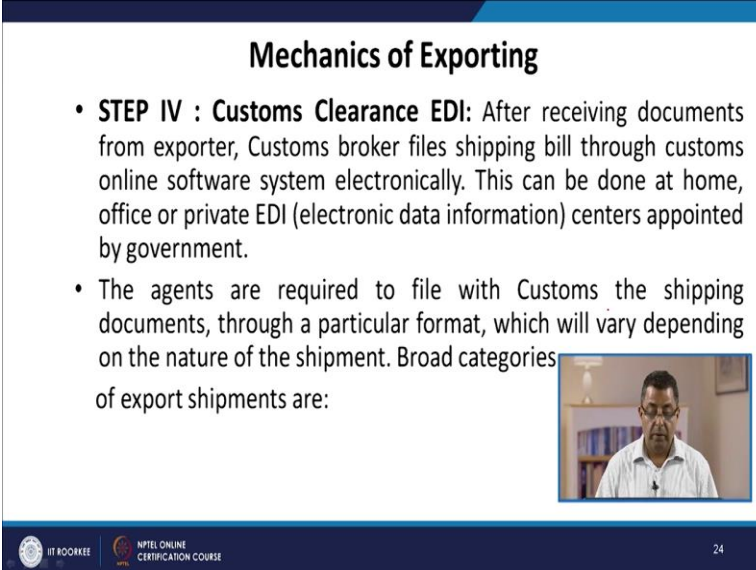
- **STEP III : Documents for Clearing & Forwarding agent.**
- The Exporter provides the following documents to the Clearing & Forwarding Agents, who are entrusted with the task of shipping the consignments, either by air or by sea.
  - Invoice or Invoice-cum-packing list.
  - Packing List ( if not with invoice).
  - ARE- I copy (For excisable products).
  - Any other declarations, as required by Customs





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Third step is documents for Clearing and Forwarding agent that is CNF. Exporters provides the following documents to the Clearing and forwarding agents who are interested with the task of shipping consignments either by air or by sea. So the documents are the first is the invoice or invoice-cum-packing list, the packing list if not with invoice ARE-1 copy for excisable products any other declaration as required by the customs.



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### Mechanics of Exporting

- **STEP IV : Customs Clearance EDI:** After receiving documents from exporter, Customs broker files shipping bill through customs online software system electronically. This can be done at home, office or private EDI (electronic data information) centers appointed by government.
- The agents are required to file with Customs the shipping documents, through a particular format, which will vary depending on the nature of the shipment. Broad categories of export shipments are:



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Step 4 is custom clearance EDI that is Electronic data interchange after receiving documents from exporter's custom brokers files shipping bill through for customs online software system electronically. This can be done at home, office or private electronic data information centers appointed by the government. Agents are required to file the customs, the shipping documents through a particular format which will vary depending on the nature of the shipment.

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## Mechanics of Exporting

- Shipping Bill for export of duty free goods..
- Shipping bill for export of goods under claim for duty drawback.
- Shipping bill for export of duty free goods ex-bond i.e. from bonded warehouse.
- Shipping Bill for export of dutiable goods.






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And the board category of export shipments are: the shipping bill for export of Duty free goods, shipping bill for exports of goods under claim for duty drawback, shipping bill for export of duty free goods ex-bond, that is, from bonded warehouse, shipping bill for a force of dutiable goods.

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## Mechanics of Exporting

- **STEP V: Arrival of Goods at Docks.**
- On the basis of declaration and check list, goods are allowed to enter into the Dock. For this, TC is generated, which requires S/B No., date and name of driver and vehicle number which is to carry the cargo to the port.
- A No Objection Certificate is required to be obtained from the office of Drug Controller at port, who is empowered to examine the documents. The following documents are put for obtaining NOC :





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The fifth step is arrival of goods on the docks so fifth step is arrival of goods at docks. On the basis of declaration and checklist goods are allowed to enter into the docks. For this TC is generated which requires SB number, date and name of driver and vehicle number which is to carry the cargo to the port. A no objection certificate is required to be obtained from the office of drug controller at port who is empowered to examine the documents.

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### Mechanics of Exporting

- i) Duly filled-in and signed form commonly known as ADC Sheet.
- ii) Copy of manufacturing licence.
- iii) Copy of Export NOC already obtained from the office of the State Drug Controller (in case of non-schedule drugs).
- iv) Sample of Export Product.
- v) Copy of blister pack, cartons, inserts etc.
- (vi) In case, these documents are in language other than English, translation thereof.






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The following documents are put for obtaining NOC. First is the duly filled in and signed form commonly known as ADC sheet. The second is copy of manufacturing license, third is copy of export no objection certificate already obtained from the office of state controller, in case of non-scheduled drugs. Sample of export product, copy of blister pack, cartons, inserts etc., in case these document are in language other than English, there translation is needed.

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### Mechanics of Exporting

- **STEP VI: Let Export Order.**
- After the receipt of the goods in the dock, Customs Officer verify the quantity of the goods actually received and thereafter mark the Electronic Shipping Bill and also hand over all original documents to the Dock Appraiser, who may assign a customs officer for the examination of the goods.
- If the Dock Appraiser is satisfied that the particulars entered in the system conform to the description given in the original documents, he proceeds to allow "let export" for the shipment.





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The step six is: let export order. After the receipt of goods in the dock custom officer verify the quantity of goods actually received and thereafter mark the electronic shipping bill and also handover all original documents to the dock appraiser who may assign a custom officer for the examination of the goods. If the dock appraiser is satisfied that the particular entered in the

system confirm with the description given in the original document, he prefers to allow let export for the shipment.

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### Mechanics of Exporting

- **STEP VII: Loading of Goods.**
- The exporter or export agent hand over the exporter's copy of the shipping bill signed by the Appraiser "Let Export" to the steamer agent. The agent then approaches the proper officer for allowing the shipment. The Customs Preventive Officer supervising the loading of container and general cargo in to the vessel may give "**Shipped on Board**" approval on the exporter's copy of the shipping bill.




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Step 7th is the loading of goods. The exporter or the export agents, handover the exporters copy of the shipping bill signed by the appraiser let export to the steamer agent. The agent than approaches the proper officer for allowing the shipment. The custom Preventive Officer supervising the loading of the container and general cargo into the vessel may give shipped on board approval on the exporeter's copy of the shipping bill.

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### Mechanics of Exporting

- **STEP VIII:**
- Once the goods are loaded into the ship, a receipt called '**Mate's Receipt**' is issued by the captain to the ship superintendent of the port.
- **STEP IX:**
- The port charges are calculated and handover to the exporter /C&F agent.
- **STEP X:**
- After making the port payments , the C&F agent or exporter gets the Bills of Lading or Airway Bill from the official agent of the shipping company or the airline.



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The eight step is once the goods are loaded into the ship, receipt called Mate's receipt is issued by the captain to the shipment superintendent of the port. The next step is that the port charges are calculated and handed over to the exporter or CNF agent. The 10th steps is after making the port payments the CNF agent or exporters get the bill of lading or airway bill from the official agent of the shipping company or the airline.

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### Mechanics of Exporting

- **Export Documentation in India:**
- Export documentation plays a vital role in international marketing as it facilitates the smooth flow of goods and payments thereof across national frontiers.
- Exporters are required to follow certain formalities and procedures, using a number of documents.
- Each of these documents serves a **specific purpose** and hence carries its own significance.
- A clear understanding of all documents and their purpose, **how** to prepare them, **number** of copies required, **when** and **where** to file, is a must for all export professionals.



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Let us look at the various export documentation in India. So the export documentation play a vital role in international marketing as it facilitates the smooth flow of goods and payment there of across national frontiers. Exporters are required to follow certain formalities and a procedure using a number of documents. Each of these documents serves specific purpose and enhance carries its own significance.



So, all these documents are important because they are for a particular purpose. Clear understanding of all documents and their purpose, how to prepare them number of copies that are required when and where to file is a must for all export professionals.

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## Mechanics of Exporting

- **Commercial Invoice:** *The basic agreement and payment term from seller to buyer.*
- This document contains all pertinent information related to the transaction. Customs officials use this document to determine duties and taxes on goods in the shipment.
- **Consular Invoice:** *A special country invoice. Certain countries require an invoice with a special format.*
- This document must be purchased from the consulate of the country of importation or a freight forwarder will have this form.





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What are commercial invoices: commercial invoices are the basic arrangement and payment term from seller to the buyer. This document contains all pertinent information related to the transaction. Keep in mind that, we are talking of commercial invoice. Now this invoice serves as a basic agreement and payment terms it consists of basic agreement it is a basic agreement and consists of payment terms from the seller to the buyer.

This document also contains all pertinent information related to the transaction and custom officials use this document to determine duties and taxes on the goods in the shipment. So, it will contain lots of other thing about the number of units etc. and number of units to be exported all this information is given there in commercial invoice and it is also used by custom officials to determine the duties and taxes on the goods which are to be shipped.

Another is counselor invoice or special country invoice certain country requires an invoice with a special format. So, now this counselor invoice is that you fill in the detail according to the specific format that is required in that country. So, this document must be purchased from the consulate of the country of importation or a freight forwarder will have this form.

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### Mechanics of Exporting

- **Certificates of Origin:** *States the origin of the products being exported.*
- This document is required by certain countries or by the terms of a letter of credit to verify the country of origin.
- **Packing List:** *This itemizes the contents of each package (box, pallets, skids, etc.).*
- This document includes weights, measurements and detailed contents of each package. It should be attached to the outside of a package and/or included inside the package.
- This document is used by shippers and forwarder to determine freight costs.



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Another document that is required is a certificate of the origin. States the origin of the product being exported, so this document is required by certain countries or by the terms of the letter of credit to verify the country of origin, so it is important that in several types of goods that the certificate of origin should be there, so that the importer gets to know where does goods are originated. Another document is packing list; this itemizes the content of each package.

So, the package can be a box, a pallet skids etc. So in this packing list, item wise contents are written there. In this document includes the weights, measurement and detail document of each package. It should be attached to the outside of a package and/or include inside the package. So, this packing list is very important because it will have the list of all the items that are there. In this document is used by shippers and forwarder to determine the freight cost.

So, instead of counting all the time they have this packing list and then it becomes easier for them to calculate the cost the freight cost.

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## Mechanics of Exporting

- **Shipping Bill:** It is the main customs document, required by customs authorities for granting permission for the shipment of goods. The cargo is moved inside the dock area only after the shipping bill is duly stamped, i.e., Certified by the customs




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Another certificate that is required in the shipping bill. It is the main custom document required by customer authorities for granting permission for the shipment of good. So, the shipping bill is so important without the shipping bill will not happen the cargo is moved inside the dock area only after the shipping bill is duly stamped, that is, certified by the customs. Otherwise it will it will be kept outside the dock area.

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## Mechanics of Exporting

- **Mate's Receipt:** It is a receipt issued by the Commanding Officer of the ship when the cargo is loaded on the ship.
- It Is a prime facie evidence that goods are loaded in the vessel.
- Bill of Lading is prepared on the basis of the mate's receipt.



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Next is the Mate's receipt. It is the receipt issued by the commanding officer of the ship, when the cargo is loaded on the ship. So once the cargo is loaded, this commanding officer gives some Mate's receipt that your goods are now on the vessel so it is a prima facie evidence that good are now downloaded in the way in the vessel. Bill of lading is prepared on the basis of the Mate's

receipt so this bill of lading is based on the Mate's receipt. So without this Mate's receipt, bill of lading cannot be prepared.

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**Mechanics of Exporting**

- **Bill of Lading:** *Contract between shipper and carrier.*
- It is a document issued by the shipping company or its agent acknowledging the receipt of goods on board the vessel, and undertaking to deliver the goods in the like order and condition as received, to the consignee or his order, provided freight and other charges as specified in the bill have been duly paid.



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Now what is this bill of lading. That is a contract between the shipper and the career. It is a document issued by the shipping company or its agent, acknowledging the receipt of goods on board the vehicle, then this bill of lading is issued and now it is a document that is issued by the shipping company acknowledging that the receipt of the goods on board the vessel. So it acknowledges that the goods are now on the vessel.


And an undertaking to deliver the goods in the like order and condition as received and it is also an undertaking that the goods will be delivered in the shape and size and in conditions that they were received and the shipper will not make any changes to that. So, it is a document issued by the shipping company or its agent acknowledging the receipt of goods on board. The vessel and undertaken to deliver the goods in the like order and condition as received, to the consignee or his agent provided freight and other charges the specified in the bill, have been duly paid.



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## Mechanics of Exporting

- **Guaranteed Remittance (GR) Form:** GR/ Statutory Declaration Form (SDF) is an exchange control document required by the RBI.
- As per the exchange control regulations, an exporter has to realise export proceeds within 180 days of the shipment of goods from India. In order to ensure this, the RBI has introduced the GR procedure.
- PP form is used, if shipment by Post office
- SOFTEX FORM is used for export of goods in non-physical form (computer software, videos)





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Then there is a guarantee remittance that is GR form. GR statutory declaration form that is SDF, is an exchange control document required by the Reserve Bank of India. Because now the Reserve Bank will look after what amount of foreign currency comes in and what amount of what amount of rupees go out and vice versa. So, as per the Exchange Control Regulation, an exporter has to realize export proceeds within 180 days of the shipment of goods from India. So, whenever he gets the money so he has to convert Indian rupee.


In order to ensure this, RBI has introduced the GR procedure that is guaranteed remittance. So, the PP form is used as shipment is by post office, SOFTEX form is used for exports of goods in non-physical form that is computer software or video. Therefore, to conclude this module we have discussed three important aspects with regard to the mechanics of exports.

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### Conclusion

- In this module we have discussed three important aspects with regards to mechanics of exports.
- Firstly how an export order is processed.
- Secondly we traced the movement of an export consignment from factory onwards.
- Lastly some of the important documents which are part of export procedure.



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First thing that we have talked about is how an export order is processed, second we have traced the movement of export consignment from factory to the port and then to the ship and then to the country of destination and lastly we have also told about some important documents which are part of this exports procedure. So, now you see that we have started with exporting and importing in module 32 and we have talked about including organizing for exports, indirect exporting, direct exporting.

And we have talked about the whole of mechanics of export in module 33. We have three modules on exporting and importing because that is the most important and the first step any company takes in its step to become a global company.

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And these are the references and the link from where we have used this material, thank you.