



**Professional  
Development  
Courses on  
Customs & FTP by  
TaxguruEdu –  
Apr'2022 Batch**

**SN Panigrahi**



# Agenda – Course Content

**Session – 1** Overview of International Trade

**Session – 2** An Introduction to Customs Act, 1962 & Valuation

**Session – 3** Treatment of Exports & Import under GST –  
Export Refunds

**Session – 4** Export- Import Procedures & Documentation

**Session – 5** Foreign Trade Policy & Handbook of Procedures –  
Export Promotion Schemes

# Agenda – Course Content

Cont.....

## Session – 6

Service Exports & Imports

## Session – 7

Merchant Exports – Merchandize Exports – Project Exports  
– Re-Import / Re-Export – Sending Goods for Exhibitions

## Session – 8

RBI – FEMA Regulations – Banking Formalities - Payments

## Session – 9

Export Pricing & Drafting International Contracts

## Session – 10

International Trade Facilitations - WTO / WB / ICC / WCO/  
ITC -- FTAs & Trade Barriers; Trade Fairs & Exhibitions

## Session – 1

### **Overview of International Trade**

- **Overview of International Trade**
- **What – Where & Why & How to Start Export – Import Business**
- **Export Promotion Councils (EPC) & their Role in Export Promotion – Various Trade Bodies, Trade Associations, Federations & Chamber of Commerce's**
- **How to Identify Business Opportunities & Contact Overseas Customers;**
- **Product X Market Selection;**
- **Online Marketing – Identifying Buyers**
- **Overview of FTP**

## Session – 2

### **An Introduction to Customs Act, 1962 & SEZ / FTWZ**

- ❖ **An Introduction to Customs Act, 1962**
- ❖ **Customs Levy – Valuation - Assessment**
- ❖ **Customs Tariffs & Duties**
- ❖ **Import - Export Restrictions, Prohibitions Under Customs Law**
- ❖ **SEZ / FTWZ / EOU & Customs Bonded Warehousing;**
- ❖ **Manufacture and Other Operations in Customs Warehouse**
- ❖ **Anti-Dumping Duty; Safeguard Duty; Anti-Subsidy Duty**

### Session – 3

## Treatment of Exports & Import under GST – Export Refunds

- Treatment of Exports & Import under GST
- Export Without Payment of Tax under LUT
- Export with Payment of IGST
- Export Refunds : ITC Refund / IGST Refund
- Other Provisions of GST Related to Export & Import

### Session – 4

## Export- Import Procedures & Documentation

- ❖ Export- Import Procedures & Documentation
- ❖ Export Order - Fulfilment
- ❖ Indian Customs – EDI System : ICES & ICEGATE
- ❖ Self-Assessment & Risk Management System (RMS)
- ❖ Container Stuffing & e-Sealing : RFID
- ❖ e-Sanchit & Customs Faceless Clearances
- ❖ Import Duty Calculation - Other Formalities
- ❖ International Logistics
- ❖ 3 PL & 4 PL; INCOTERMS - 2020; Multimodal Transport; IMO Provisions
- ❖ Port & Shipping Formalities;

## Session – 5

### **Foreign Trade Policy & Handbook of Procedures – Export Promotion Schemes**

- Foreign Trade Policy & Handbook of Procedures;
- ITC (HS)
- Concept of Digital Signature and e-filing in DGFT
- Export Promotion Schemes MEIS, Adv. Authorization, EPCG – Duty Drawback
- Export Obligation Fulfilment - EODC

## Session – 6

### **Service Exports & Imports – FTAs & Trade Barriers**

- ❖ Service Exports & Imports
- ❖ Export Refund for Service Exports
- ❖ Free Trade Agreements – FTAs
- ❖ Tariff & Non-Tariff Barriers;
- ❖ New Rules of Origin- CAROTAR 2020
- ❖ International Logistics
- ❖ 3 PL & 4 PL; INCOTERMS; Multimodal Transport; IMO Provisions
- ❖ Port & Shipping Formalities;

## Session – 7

### **Merchant Exports – Merchandize Exports – Project Exports**

- **Merchant Exports**
- **Third Country Exports**
- **High Seas Exports**
- **Deemed Exports**
- **How to Send Samples;**
- **Import & Re-export of Rejected Goods;**
- **Project Imports**

## Session – 8

### **RBI – FEMA Regulations – Banking Formalities**

- ❖ **RBI – FEMA**
- ❖ **Export Payment Methods – Documentary Collection & Letter of Credit**
- ❖ **Export Payment Methods - Risks : L/C Check List**
- ❖ **Export Finance: Pre & Post Export**
- ❖ **Banking Formalities- Realization of Export Proceeds**

## Session – 9

### **Export Pricing & Drafting International Contracts – Understanding Risk**

- **Export Costing – Pricing**
- **Negotiating & Drafting International Contracts**
- **Risks in International Market; Country – Currency – Customer Risks**
- **Understanding Importing Country Regulations**
- **Mitigating Risks**
- **Customer Credential Verification – DnB & Bank Verifications;**
- **Insurance & ECGC Cover & Others Means;**

## Session – 10

### **International Trade Facilitations - WTO / WB / ICC / WCO - Trade Fairs & Exhibitions**

- **Export & Import Miscellaneous Provisions & Regulations;**
- **Trade Fairs & Exhibitions;**
- **WTO / WB / ICC / WCO / ITC etc**
- **Tips for Export & Import**
- **Case Laws & Case Studies**



# Genesis of International Trade

Export & Import Business is one of the oldest types of business in the world existing from time immemorial .

**Since no country or region or tribe is self sustainable with all resources available to meet all the needs and requirements of its inhabitants and no nation can survive totally on its own without interaction and exchange of resources with other countries, Supply Across the Borders taking place..**

**There are always certain deficiencies as well as surpluses those need to relate and engage in exchange with one another, it can either be in terms of raw materials, semi-finished good or finished goods or capital goods and services.**

This important **gap in requirements can be an opportunity to fulfill with abundant availability elsewhere**, there by forming Trade between them.

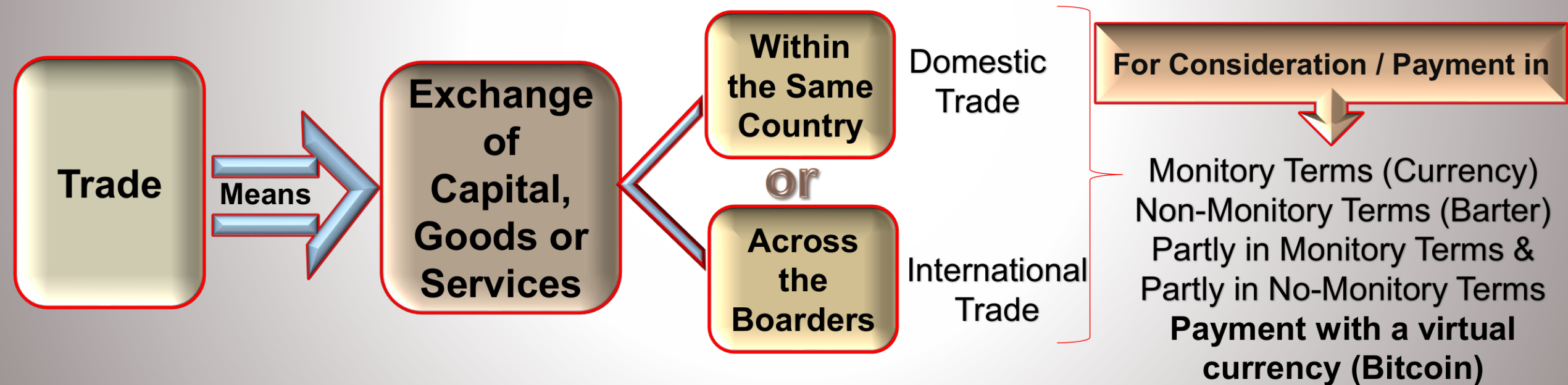
**Exports and Imports are closely interwoven as a major economic activity for any country.**

# Over View of International Trade

- ✦ Trade involves the Transfer or Exchange of Capital, Goods or Services from one person or entity to another, often in exchange for money. But trade may also be executed with the exchange of Goods or Services between both parties, referred to as a barter or payment with a virtual currency (Bitcoin)
- ✦ International Trade is the exchange of capital, goods, and services across international borders or territories ie Exports and Imports between countries.
- ✦ The phrases International Trade, Global Trade and Foreign Trade are interchangeably used in the common parlance of trade.

# Over View of International Trade

Trade may be within the same Country ie Domestic Trade also known as internal trade or home trade or International Trade ie trade across the Borders.



# International Trade



## Export & Import of Goods or Services



### Exports

Goods and Services produced in one country and sold to other countries

### Imports

Goods and Services consumed in a country that are purchased from other countries.

Foreign Trade

**The Balance of Trade** is the difference between the value of a country's Exports and Imports for a given period.  
**Exports - Imports**

**Trade Deficit**  
**Imports > Exports**

**Trade Surplus**  
**Exports > Imports**

**The Balance of Payment**  
record of all monetary transactions between a country and the rest of the world.  
**Current Account + Financial Account + Capital Account + Balancing Item**

## Globalization

The expansion of economic, political, and cultural processes to the point that they become global in scale and impact.

# Globalization

## Index of Openness :

A measure of the extent to which an economy depends on trade with other countries or regions, e.g. **the ratio of the sum of total imports and exports to GDP.**

### Open Economy

a country with a high value of the index of openness.

### Closed Economy

a country with a relatively low index of openness.

# Why Countries Export & Import

## 1: Differences in Technology / Competitive Advantage

- **Innovative Capacities to Create Products and Administrations & a condition or circumstance that puts a Country in a favorable or Superior Business Position.**

## 2: Differences in Resource Endowments

- **Availability of Talented & Competitive Resources & Natural Assets (Mines, Minerals, Farmland, and so on) & Capital Stock (capital stock is the plant, equipment, apparatus, and other assets that help with production)**

## 3: Differences in Demand

- **Demand Differences (either due to Non-Identical Preferences, or Non-Homothetic Preferences & Consumption) an Important Source of Trade & Trade Flows, Countries no Longer Consume Goods in Identical Proportions. For instance, the Indians & Chinese Consume more Rice than Americans.**

## 4: Existence of Economies of Scale in Production

- **A proportionate saving in costs gained by an increased level of production. The presence of economies of scale underway is adequate to create profitable trade between two nations.**

## 5: Existence of Government Policies

- **Government Policies (Favorable / Restrictive) influence the Trade. Also Government Investments, International Treaties etc Encourage Trade between Countries.**

# Factors Influence International Trade

There are several factors at work in international trade, which make it more complex, so consider the following questions as you work through an export opportunity:

## Geographical & Environmental Factors

- How does the physical distance, as well as the environmental differences – e.g., cold versus tropical, mountainous versus flat – between countries impact the export opportunity?

## Demographic & Linguistic Factors

- **Information on each country**—Total Population, Fertility, and Mortality Rates; Urban & Rural Population; Growth Rate; and Life Expectancy etc influence decisions to enter the Markets. **Language Barriers** are also significantly Negatively Correlated with bilateral trade.

## Differing Political Systems

- How do the differing political systems between countries impact the export opportunity?

## Socio-Cultural Differences

- How do various social and business networks, as well as cultural differences, impact the export opportunity?

## Economic Factors

- How do the differences in national development, or economic development, between countries impact the export opportunity?

# World Merchandize Trade

Below are the 20 export products that attracted the highest dollar value in sales during 2020. Since 2019, crude oil has overtaken cars for the number one position in terms of overall exports by value.

1. Integrated circuits / microassemblies: \$783.6 billion (up 11.6% from 2019)
2. Cars: \$624.9 billion (down -16.9%)
3. Crude oil: \$547.1 billion (down -34.8%)
4. Phone system devices including smartphones: \$543.4 billion (down -4%)
5. Processed petroleum oils: \$435.4 billion (down -37.5%)
6. Gold (unwrought): \$396.1 billion (up 29.4%)
7. Medication mixes in dosage: \$392.9 billion (up 7.7%)
8. Computers, optical readers: \$375.8 billion (up 6%)
9. Automobile parts/accessories: \$338.7 billion (down -13.9%)
10. Blood fractions (including antisera): \$225 billion (up 15.7%)
11. Petroleum gases: \$215.1 billion (down -21.6%)
12. Iron ores, concentrates: \$139.8 billion (up 15.6%)
13. Electro-medical equipment (e.g. xrays): \$131.6 billion (down -0.7%)
14. Computer parts, accessories: \$128.8 billion (up 2.5%)
15. Insulated wire/cable: \$118 billion (down -7.3%)
16. Solar power diodes/semi-conductors: \$117.4 billion (up 2.9%)
17. Turbo-jets: \$111.6 billion (down -22.7%)
18. Trucks: \$109.8 billion (down -19.4%)
19. Electrical converters/power units: \$103.6 billion (up 3.7%)
20. Lower-voltage switches, fuses: \$100.5 billion (down -3.9%)
21. Machinery for making semi-conductors: \$92.9 billion (up 13.7%)

<https://www.worldstopexports.com/worlds-top-exports-products-countries/>



# World's Top 20 Export Countries : 2020

Rank	Country	2020 Export Sales US\$ Billions	2019-20
1.	China	\$2,590	+3.7%
2.	USA	\$1,431	-13%
3.	Germany	\$1,377	-7.3%
4.	Japan	\$640	-9.2%
5.	Netherlands	\$551	-4.4%
6.	Hong Kong	\$551	+3%
7.	S. Korea	\$512	-5.4%
8.	Italy	\$495	-7.8%
9.	France	\$475	-14.4%
10.	Belgium	\$419	-6.1%

Rank	Country	2020 Export Sales US\$ Billions	2019-20
11.	Mexico	\$418	-9.2%
12.	UK	\$399	-14.7%
13.	Canada	\$389	-12.7%
14.	Singapore	\$373	-4.2%
15.	Vietnam	\$348	+31.5%
16.	Taiwan	\$346	+5.2%
17.	Russia	\$337	-20.3%
18.	Switzerland	\$318	+1.5%
19.	Spain	\$312	-7.5%
20.	India	\$275	-14.8%

Source : <http://www.worldstopexports.com/worlds-top-export-countries/>

# India's Total Trade in Merchandise goods in Apr 2021 – Mar2022

	Value in Billion USD			% Growth	
	Apr'21- Mar'22	Apr'20- Mar'21	Apr'19- Mar'20	Apr21-Mar22 over Apr20-Mar21	Apr21-Mar22 over Apr19-Mar20
Exports	<b>417.81</b>	291.81	313.36	<b>43.18</b>	<b>33.33</b>
Imports	610.22	394.44	474.71	54.71	28.55
Deficit	192.41	102.63	161.35	87.49	19.25

<https://commerce.gov.in/press-releases/press-release-indias-merchandise-trade-preliminary-data-march-2022/>

## Exports of Top 10 Major Commodity Groups in April 2021-March 2022

Value of Export (Million US\$)		Share (%)	Growth (%)	
Major Commodity Group	Apr21-Mar22	Apr20-Mar21	Apr21-Mar22	Apr21- Mar22 over Apr20- Mar21
Engineering goods	111632.94	76719.60	26.72	45.51
Petroleum products	65044.80	25804.37	15.57	152.07
Gems and Jewellery	38942.88	26022.82	9.32	49.65
Organic and Inorganic chemicals	29152.67	22088.48	6.98	31.98
Drugs and Pharmaceuticals	24475.36	24444.03	5.86	0.13
RMG of all Textiles	15936.70	12272.21	3.81	29.86
Electronic goods	15588.06	11093.29	3.73	40.52
Cotton Yarn/Fabs./Madeups, Handloom products etc.	15244.20	9827.89	3.65	55.11
Plastic and Linoleum	9783.35	7462.85	2.34	31.09
Rice	9625.50	8829.21	2.30	9.02
<b>Total of 10 Major Commodity Groups</b>	<b>335426.46</b>	<b>224564.75</b>	<b>80.28</b>	<b>49.37</b>
Rest	82382.75	67243.73	19.72	22.51
<b>Total Exports</b>	<b>417809.21</b>	<b>291808.48</b>	<b>100.00</b>	<b>43.18</b>

## India's Export Share in world Trade

**1947**  
**2.40 %**

**1980**  
**0.80%**

**1990**  
**0.13%**

**2010**  
**1.35%**

**2017**  
**1.70%**

**India's Export Share of world Merchandize Exports was 2.2% in 1948, higher than China's 0.9% or Japan's 0.4%.**

**It fell to One-Fifth it's initial level, 0.5% in 1983 and Recovered only Marginally to 0.7% in 2000**

As per the WTO data released in April 2019, for the year 2018, India's share in global exports for merchandise was 1.7 % and in global imports was 2.6 %. For the year 2018 for service sector, India's share in global exports was 3.5 % and imports was 3.2 %.

Government aims to increase India's exports of merchandise and services from USD 465.9 billion in 2013-14 to approximately USD 900 billion by 2019-20 and to raise India's share in world exports from less than 2 percent to 3.5 percent.

**Vision 2020 – 5%**

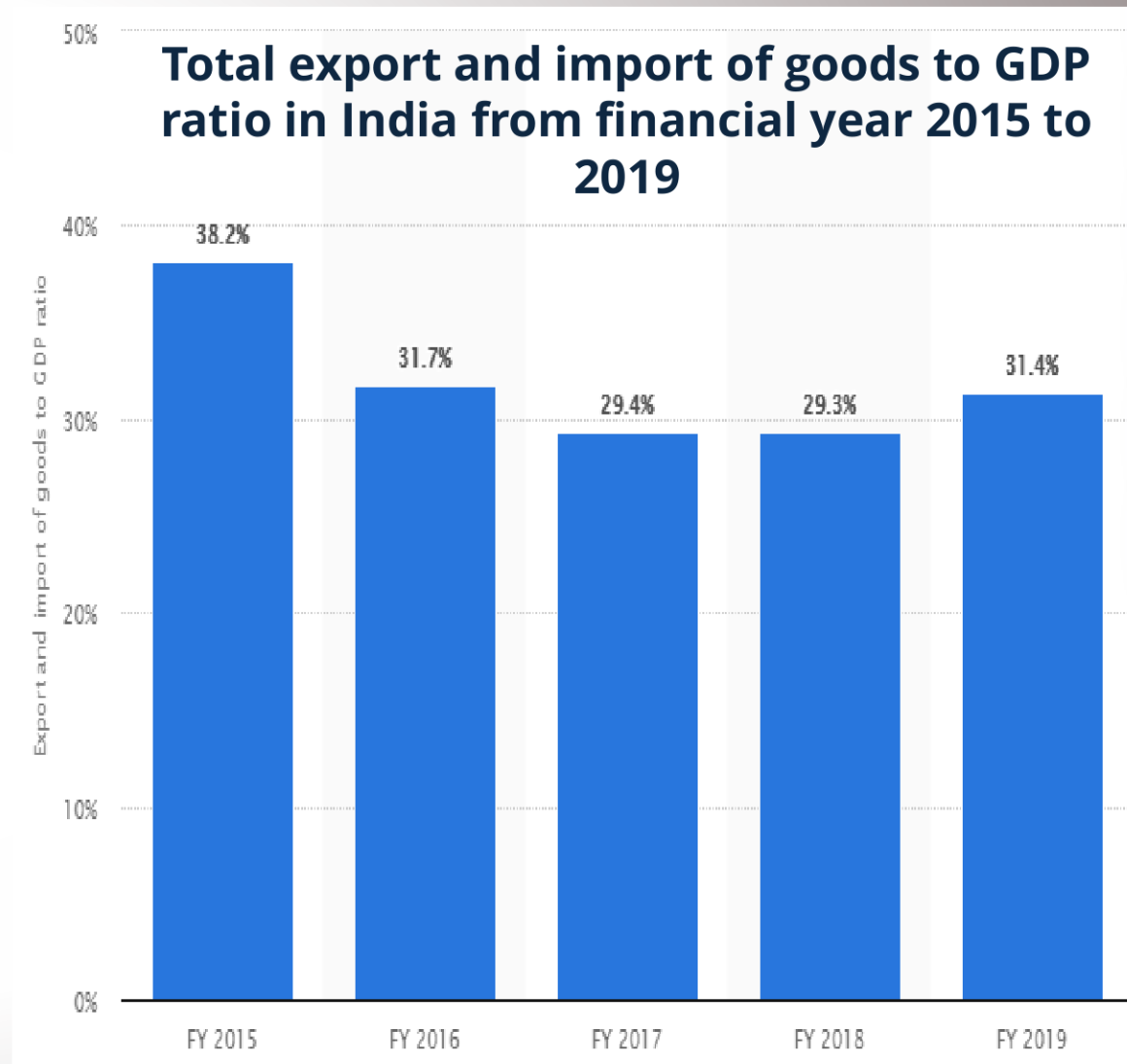
# International Trade : Economic Development

In most countries, such **International Trade** represents a significant share of **Gross Domestic Product (GDP)**. Trade can play in driving economic growth, development and job creation around the world.

Carrying out trade at an international level is a more complex process than domestic trade.

International Trade takes place between two or more nations. Factors like the economy, government policies, markets, laws, judicial system, currency, etc. influence the trade.

**In fiscal year 2019, the ratio of India's total Exports and Imports of Goods to the GDP stood at 31.4 percent, up from about 29.3 percent in fiscal year 2018.**



# India's Top 10 Exports - 2020

The following export product groups categorize the highest dollar value in Indian global shipments during 2020. Also shown is the percentage share each export category represents in terms of overall exports from India.

1. Mineral fuels including oil: US\$27.6 billion (10% of total exports)
2. Gems, precious metals: \$24.5 billion (8.9%)
3. Pharmaceuticals: \$18.4 billion (6.7%)
4. Machinery including computers: \$18 billion (6.5%)
5. Organic chemicals: \$17.4 billion (6.3%)
6. Electrical machinery, equipment: \$13.5 billion (4.9%)
7. Vehicles: \$13 billion (4.7%)
8. Iron, steel: \$10.6 billion (3.9%)
9. Cereals: \$8.7 billion (3.1%)
10. Plastics, plastic articles: \$6.6 billion (2.4%)

**India's top 10 exports approached three-fifths (57.5%)** of the overall value of its global shipments.

Cereals represents the fastest grower among the top 10 export categories, up by 22.7% from 2019 to 2020..

# India's 15 Top Trading Partners 2020

Below is a list highlighting 15 of India's top trading partners in terms of countries that imported the most Indian shipments by dollar value during 2020. Also shown is each import country's percentage of total Indian exports.

1. **United States: US\$49.3 billion (17.9% of India's total exports)**

2. **China: \$19 billion (6.9%)**

3. **United Arab Emirates: \$18 billion (6.5%)**

4. **Hong Kong: \$9.5 billion (3.5%)**

5. **Singapore: \$8.3 billion (3%)**

6. **Bangladesh: \$7.91 billion (2.9%)**

7. **United Kingdom: \$7.77 billion (2.8%)**

8. **Germany: \$7.7 billion (2.8%)**

9. **Netherlands: \$6.3 billion (2.3%)**

10. **Malaysia: \$6.2 billion (2.2%)**

11. **Saudi Arabia: \$6.2 billion (2.2%)**

12. **Nepal: \$5.9 billion (2.1%)**

13. **Belgium: \$4.57 billion (1.7%)**

14. **South Korea: \$4.52 billion (1.6%)**

15. **Vietnam: \$4.5 billion (1.6%)**

About three-fifths (60.1%) of Indian exports in 2020 were delivered to the above 15 trade partners.

India grew its export sales to just two among the above trade partners namely China (up 10%) and Saudi Arabia (up 3%).

Source : <https://www.worldstopexports.com/indias-top-import-partners/>

# How to Start Export & Import Business





# Why Import / Export Business

**Better Price / Reduced Costs**

Trading allows a company to acquire products from another country at a much lesser cost than producing it locally.

**High-Quality Products**

An import / export business allows to better understand the demands of overseas customers and increase the standards of his product to meet their demands.

**Improve Profit Margins**

Depending on the demand for your products, you may create a new market and increase your profits exponentially.

**Maximize Sales Potential**

Exporting products expands the overall sales potential of your brand and product.

**Improve the Brand Image**

Exporting allows you to scan for opportunities & gain a larger audience in a market & promote your brand & Company Image

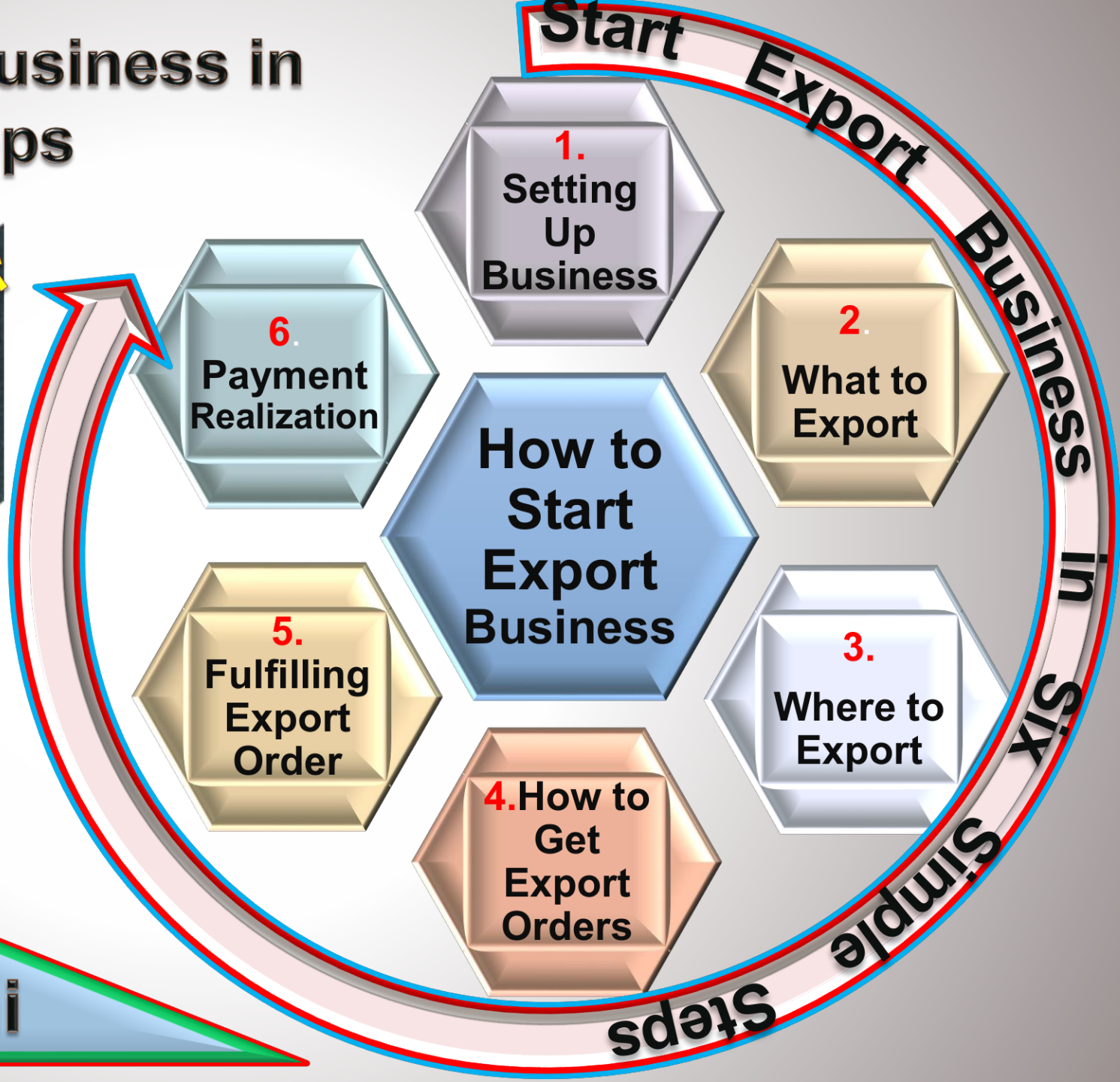
**Provide some Solace at Down Markets**

Exports Provide some Comfort / Support to Sales when Markets are Down Turn

# How to Start Export Business in Six Simple Steps



By  
**SN Panigrahi**



# Why Exports & Imports

## Exports

Goods and Services Produced in one Country and Sold to other Countries.

Boost Economic Growth

Create Job Opportunities

Global Exposure /  
Business Opportunities

Expand Business /  
Improve Profits

Brand Image / Improve  
Competitiveness

Attain Global Standards

Research Shows “Global Exposure Improves Performance”

## Imports

Goods and services consumed in a country but which have been purchased from other countries.

To Meet Resource  
Requirement

Low / Better Prices  
Cost Reduction

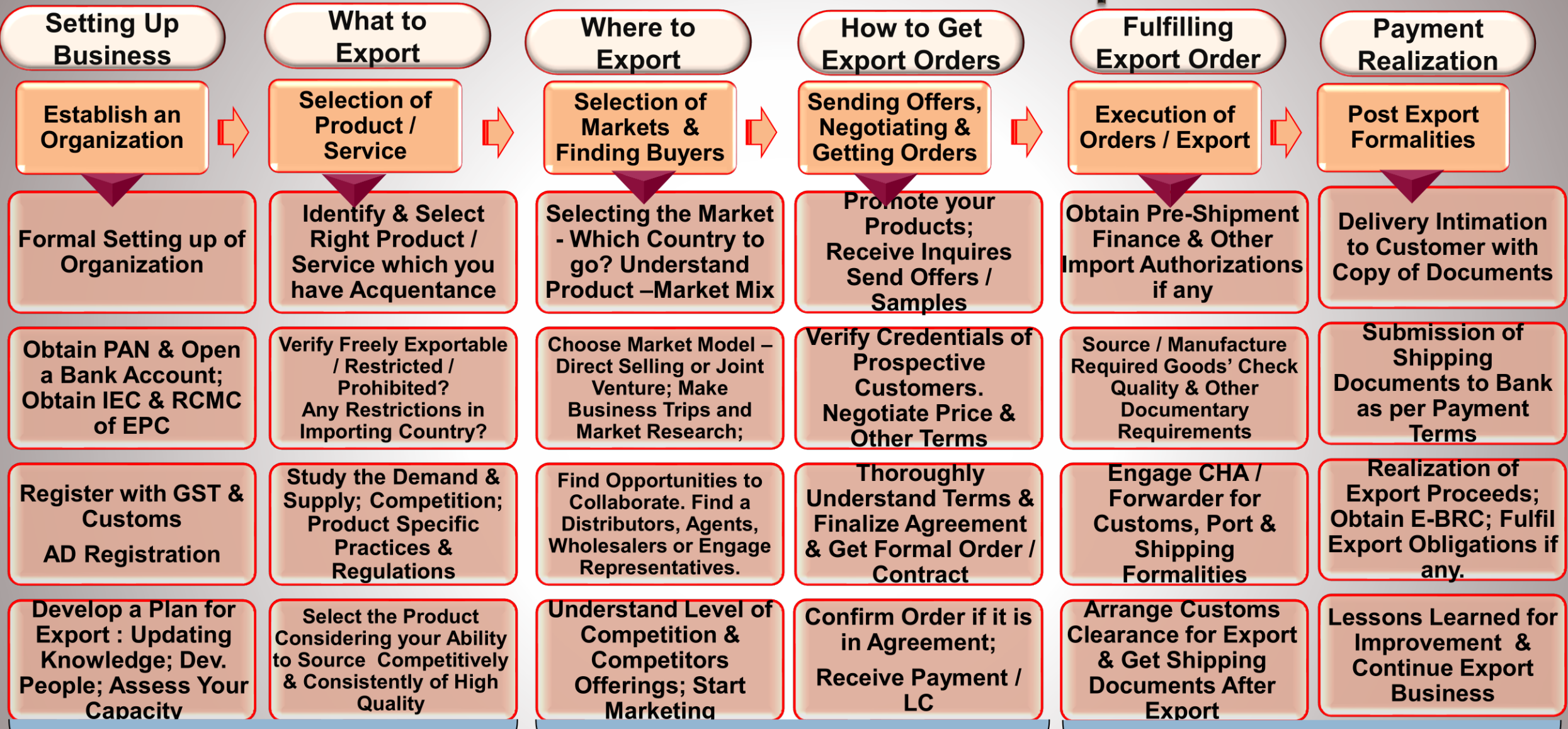
Better Quality / Improved  
Performance

OEM Item /  
Non-Available Locally

New / Variety Items  
New Ideas / Concepts

Attain Global Standards

# What – Where & How to Export



Are you Ready for Export Business?

Plan your Market Entry and Finalize the Right Agreements

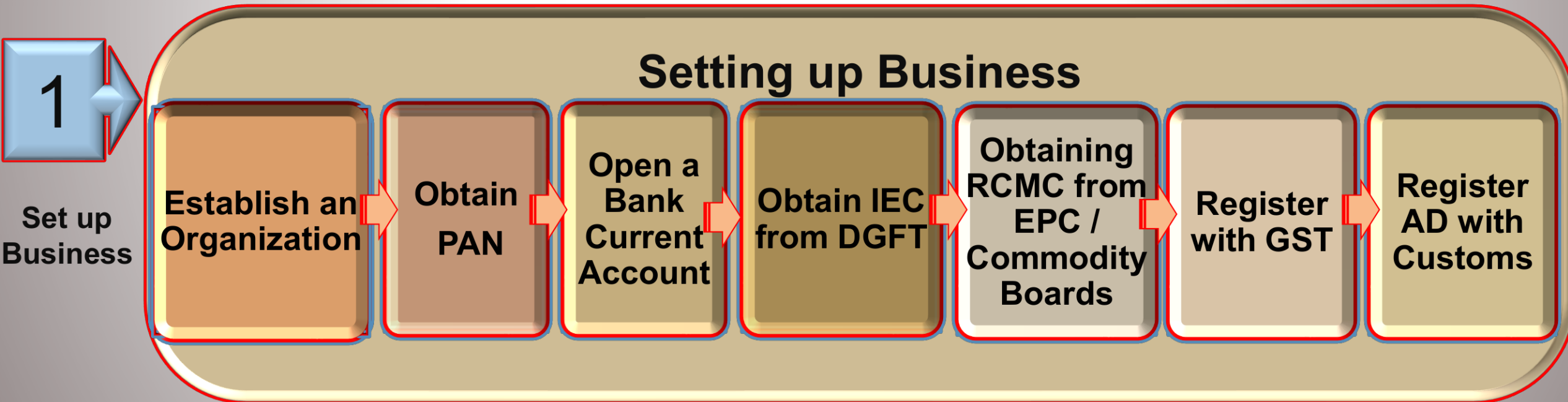
Order Fulfilment & Post Export Formalities

# How to Start Export & Import Business?

The steps in starting a small business include creating a viable business plan, doing the relevant market research, finalizing funding sources and pinning down the business model.

Once you have validated your idea with these steps, and **understand what is an Export & Import Business**, it's important to follow certain basic steps as follows to setup an organization and Complete some Statutory Formalities.

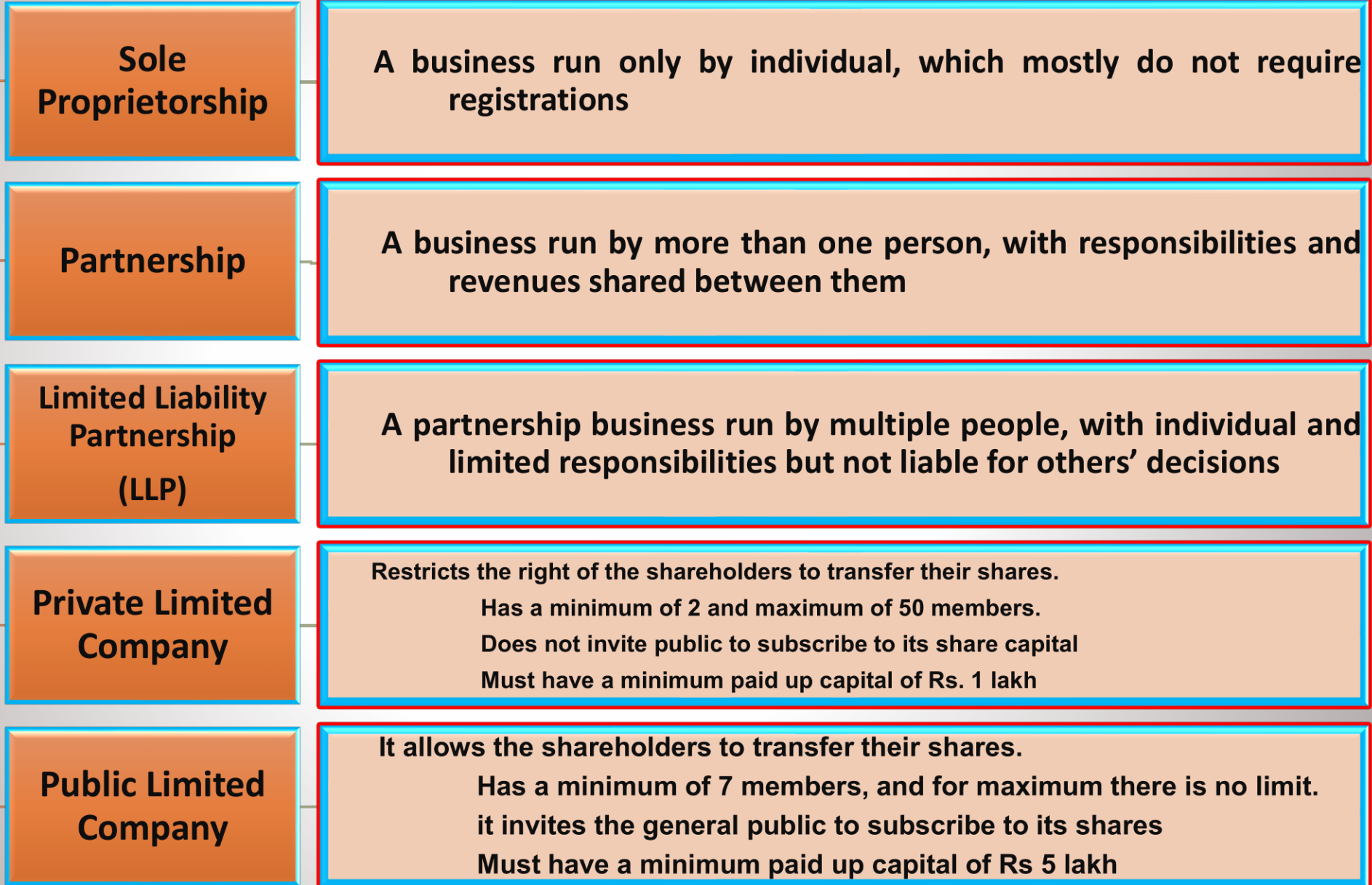
## Regulatory Requirements to Start Export & Import Business



# Establish an Organization

Your business may be of one of the following types:

## Types of Business Organizations



# Types of Import / Export Businesses

## Trading / Merchant Exporter

- The export-trader operates on a buy-and-sell basis
- He buys from manufacturers and adds a markup to the export price

## Manufacturer Exporter

- Have own Manufacturing Facilities
- Export-manufacturers either directly export the goods or indirectly export the goods through the export-traders

## Commission Agent

- In the commission/fee basis, the Agent collects a commission or fee from the export-manufacturer or the foreign importer, or from both of them without adding a markup to the price.

## Manufacturers Representative

- Act on behalf of the Supplier in Specified Regions or Countries and Promote the Goods / Services of the Local Supplier
- May act on Specific Remuneration Basis or on Commission Basis

## Service Exporter

- Service-exporters include the banks, ocean shipping (steamship) companies, air cargo companies or airlines, trucking companies, rail carriers, insurance companies, freight forwarders or consolidators, consulting firms, and miscellaneous service companies.
- Service-exporters provide services to export-traders and export-manufacturers.

# Export & Import Trade Governing Bodies

**Ministry of  
Commerce and  
Industry**

**Nodal Authority for Trade Facilitating – Developing & Regulating Trade Matters Related to Multilateral and Bilateral Commercial Relations**

**Directorate  
General of Foreign  
Trade (DGFT)**

**Responsible for the Formulation of Guidelines and Principles for Importers as well as Exporters of Country  
FTP, HBP Vol -1 & 2; ITC (HS)**

**Central Board of  
Indirect Taxes &  
Customs (CBIC)**

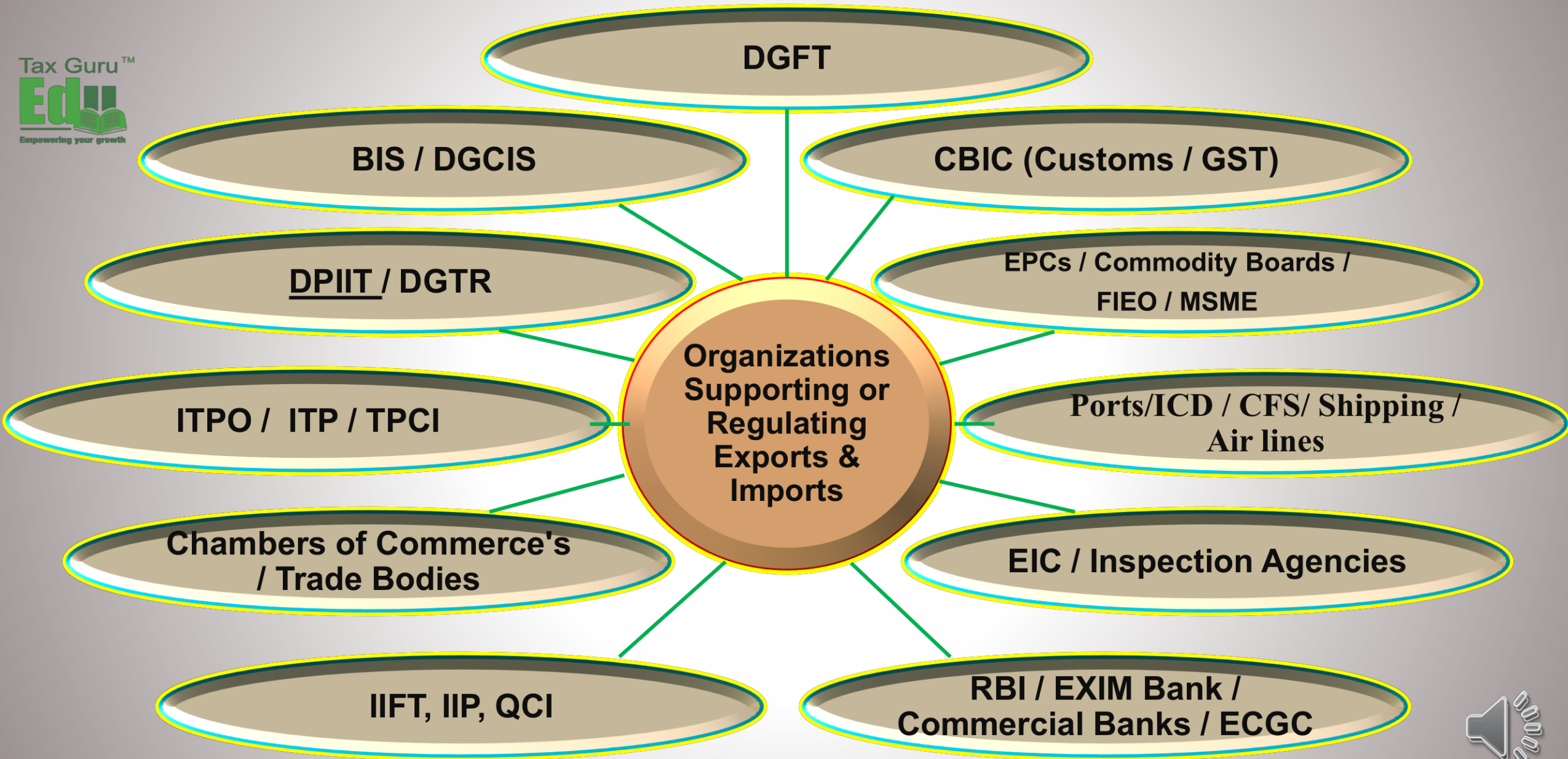
**Under Ministry of Finance is the Controlling Authority to handle Custom Duty related matters & Physical Movement of Cargo Outward & Inward to the Country.  
Customs Act, 1962; Customs Tariff Act 1975; IGST Act 2017**

**Reserve Bank of  
India**

**Monetary Authority - Manages Foreign Exchange;  
Facilitate External Trade and Payment and Promote orderly development and maintenance of Foreign Exchange in India  
FEMA**



# Organizations Supporting / Promoting or Regulating Exports & Imports



**2**

**What to Export**

## Select a Export Product

Find a Product or Service you are Passionate About & Conversant With

Are you Able Source the Products @ Competitive Prices?

Are You Able to Ensure Quality & Required Standards?

Are You Able to Source Consistently over a Long Time ?

Whether Goods are Freely Exportable / Restricted / Prohibited ?

Whether there is Any Restrictions in Importing Country ?

Select the Product Considering Competitiveness & Competition

**Be as cost-effective as possible (without sacrificing quality)**

# Sourcing for Export

Sourcing should be focused on the competitive advantage they deliver to the company, vis a vis their competition. Good Sourcing / Procurement can actually drive Competitiveness in terms of Price, Quality, Delivery and improvements in supplier relationships.



# Packing Labeling & Marking

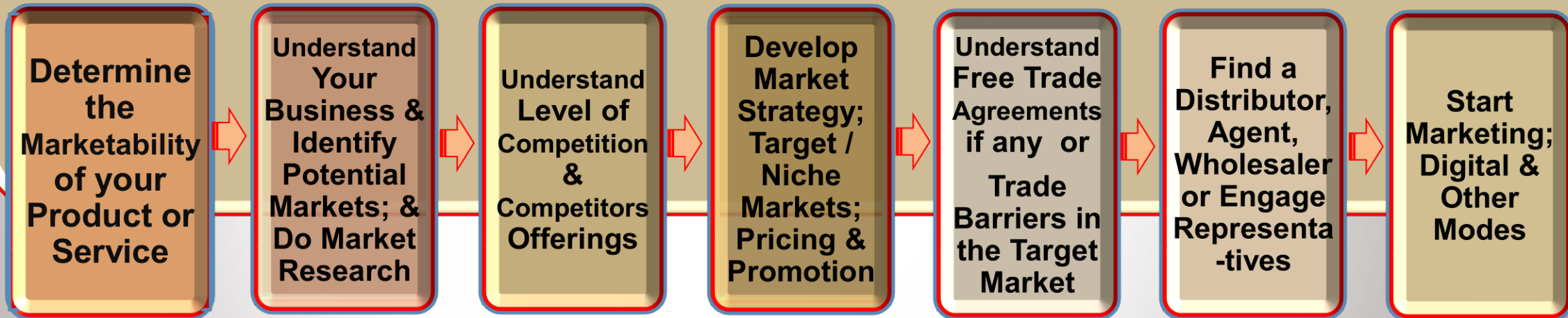
An important stage after manufacturing of **goods** or their procurement is their preparation for shipment. This involves **labeling, packaging, packing** and **marking of export** consignments.

Proper packaging and labeling not only makes the final product look attractive but also save a huge amount of money by saving the product from wrong handling the export process.



**3**  
Where To Export

## Select & Find Export Markets



**Market your Product**

**Select and research countries and potential export markets**



# The 7Ps Marketing Mix

Product

Promotion

Price

Place

People

Process

Physical  
evidence

Philip Kotler has described a concept of the changing trends in marketing, the new mantra which he calls CCDVTP, Create, Communicate, Deliver the Value to the Target market at a Profit.



Decide where to Sell  
**Choose the Right Market for your Product**

## Have a Plan

People, Your Capacity / Capability, Your Knowledge, Your Price, Packing & Promotional Strategy

## Choose a Route to Market

Direct Sales, Through Distributor, Sales Agent  
Create a joint venture.

## Find the Opportunities

Participate in Trade Fairs, Exhibitions, Sending Trade Enquiries

## Start Marketing

Market Promotion, Advertising, Digital Marketing

Understand Regulatory Considerations



# Export Marketing Strategy

## Understand Your Business

- Understand your business model fully. What kind of business are you running? What products and services do you intend to sell? Who makes up your target market? Is it a sole proprietorship, partnership or other form of business?

## Carry Out Market Research

- Before setting out to devise a marketing strategy you need to think about your target market. Who is your ideal customer?

## Assess Your Competition

- Assess this product against that of your competition

## Set Objectives

- What exactly do you wish to achieve by the end of the year? What is your sales volume and profit target?

## Outline Your Marketing Strategies

- Assess which objectives are realistic and achievable and which ones are not

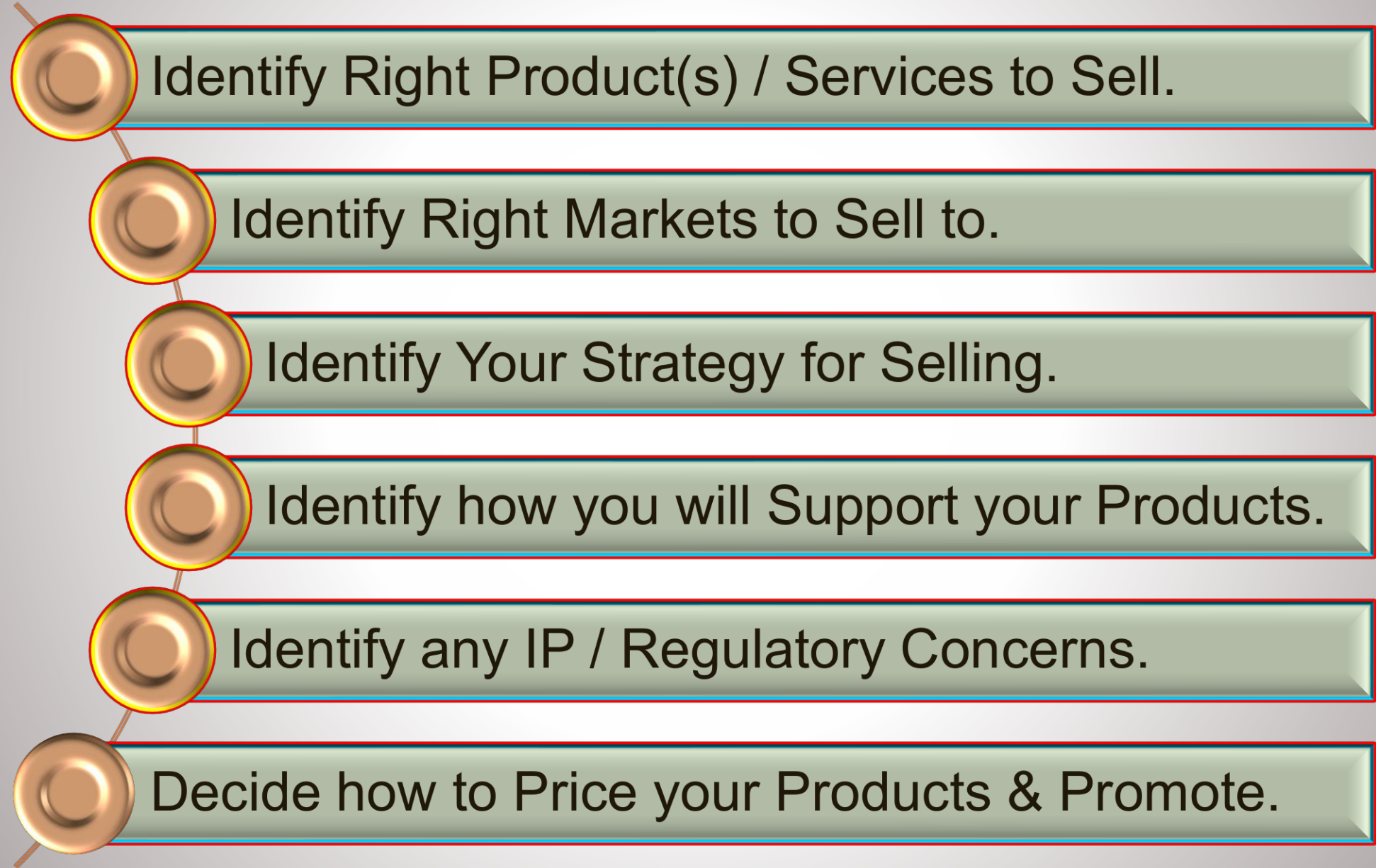
## Detail the Financial Aspects of Your Strategy

- How much do you want to spend on marketing your import export business? How much of this amount do you actually have? Where will the rest of the required money come from?

## Start Working

- After getting all the steps to a successful marketing strategy down, you need to get into action.

# Strategies for Export

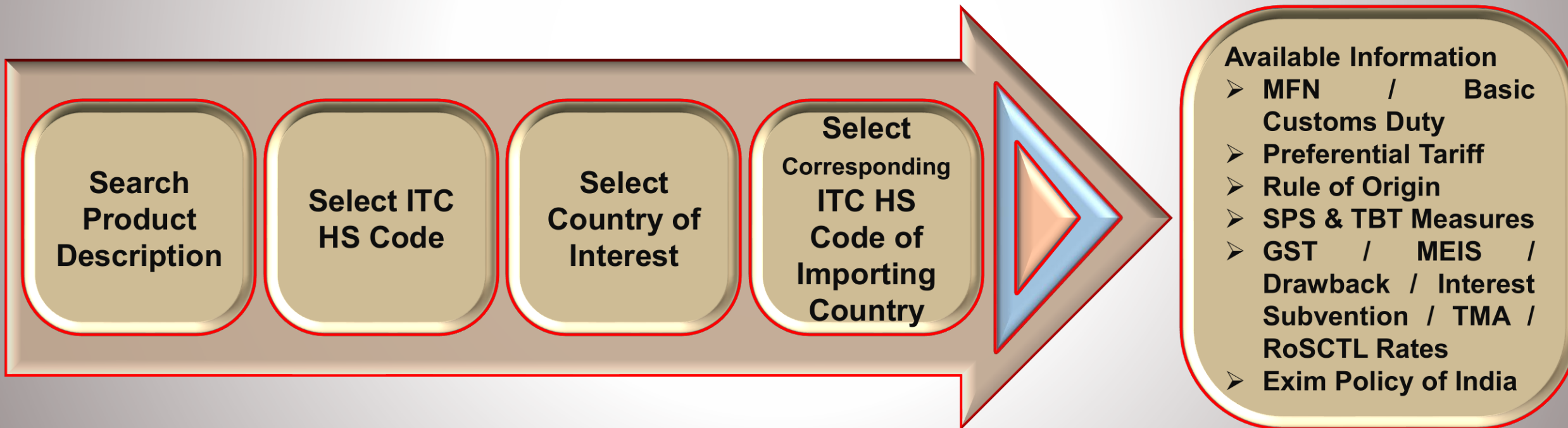
- 
- 1. Identify Right Product(s) / Services to Sell.
  - 2. Identify Right Markets to Sell to.
  - 3. Identify Your Strategy for Selling.
  - 4. Identify how you will Support your Products.
  - 5. Identify any IP / Regulatory Concerns.
  - 6. Decide how to Price your Products & Promote.

# Search for Information Products & Markets

Click

<http://indiantradeportal.in/>

## Four Easy Steps to Search Information



# Roll Out Export Business

**1. Explore the three countries you think have the best market potential for your product.**

**2. Review the market factors for each country.**

**3. Research Data / Information for each country.**

**4. Rate each factor on a scale of 1 to 5 with 5 being the best.**

**5. Prioritize your target market countries / regions based on your ratings.**

**BECOMING EXPORT-READY**

# How to Get Contact Details of Overseas Buyers

online and offline methods for searching and finding buyers

Develop a Web-Site / Portal

Trade Fairs / Exhibitions

[tradeindia.com](http://tradeindia.com)  
[indiatradefair.com](http://indiatradefair.com)

Business Trips / Overseas  
Travel

Digital & Social Media  
Marketing

Contact Export Promotion  
Councils (EPCs) & Commodity  
Boards

Buying & Selling Commission  
Agents

Online Free / Paid Portals  
Import & Export Data: Buyer –  
Seller Information

Embassies & Foreign  
Missions  
Government Trading Agencies

Through Own Overseas  
Representatives

Exporter – Importer [Directory](#)

International Trade Promotion  
Organizations  
Chamber of Commerce's &  
Federations

Through Merchant Exporters

Sell – Buy Leads  
Search Engines / Portals :  
Google / Yahoo etc

Advertisements  
Print & Digital  
Through Publications

Personal Meets / Contacts  
Through Contacts of Friends  
and Relatives; Referrals

# Digital Marketing

**Less Expensive using Digital Market Tools**

**Digital Marketing Reach is World wide**

**Your Business is Open 24 X 7**

**Measurability of Digital Marketing Results**

**Focused & Targeted Research**

**Better Informed Decisions through Analytics in Digital Marketing Tools**

**Easily Manageable with Fewer Manpower**

**Digital Export Marketing is Future**

# Evaluating - “Export - Readiness”

**Identify Products / Services**

**Identify Markets**

**Evaluate Distribution**

**Export Pricing & Payment**

**Familiarizing Export Formalities**

**Identify the Products / Services that has Potential for Export**

**Identify key Foreign Markets for your products through Market Research**

**Evaluate Distribution and Promotional Options and Establish an Overseas Distribution System**

**Determine Export Prices, Payment Terms, Methods and Techniques;**

**Familiarize yourself with Shipping Methods, Delivery Terms, Export Documentation Procedures, Export Financing and other Requirements for Exporting.**

**Getting Ready for Exports**

- 1. Is this a real problem that needs solving?**
- 2. Can I build a business by solving this problem?**
- 3. Is there a large enough market to help my business reach its revenue goals?**
- 4. Who are my competitors? How do I beat them?**
- 5. Can I differentiate on product, or distribution?**
- 6. How well do I understand my target customers?**
- 7. How will I market my solution to my target customers?**
- 8. Does working on this business idea play to my strengths or weaknesses?**
- 9. What is success to me? And do I have what is needed to get there?**



# Export Readiness Assessment

•Are you in a position to finance your export endeavors for a period of 12 to 24 months without necessarily generating any immediate income?

•Do you have any prior experience in exporting, or do you have experts that are able to assist you?

•Is your firm established and successful locally?

•Are you competing well with imported products?

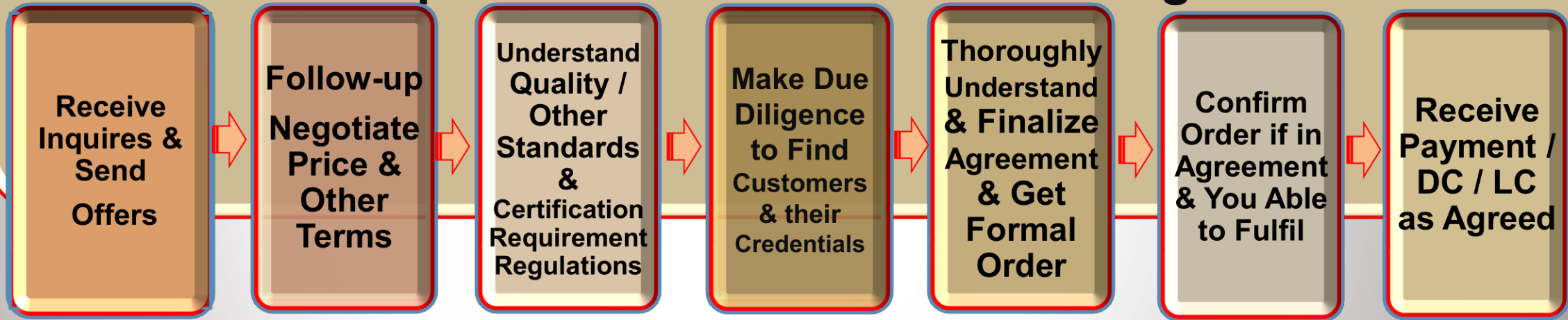
# Collections and International Receipts

- Remember that there are different monetary regulations in various countries, including tax considerations.
- There is also a significant amount of paperwork attached to the process of receiving payment from foreign countries.
- When researching countries, assess whether there is liquidity or if getting money out is a challenge — this is particularly important when exporting into developing markets.
- Pricing must take tariffs, marketing and distribution costs into account.

4

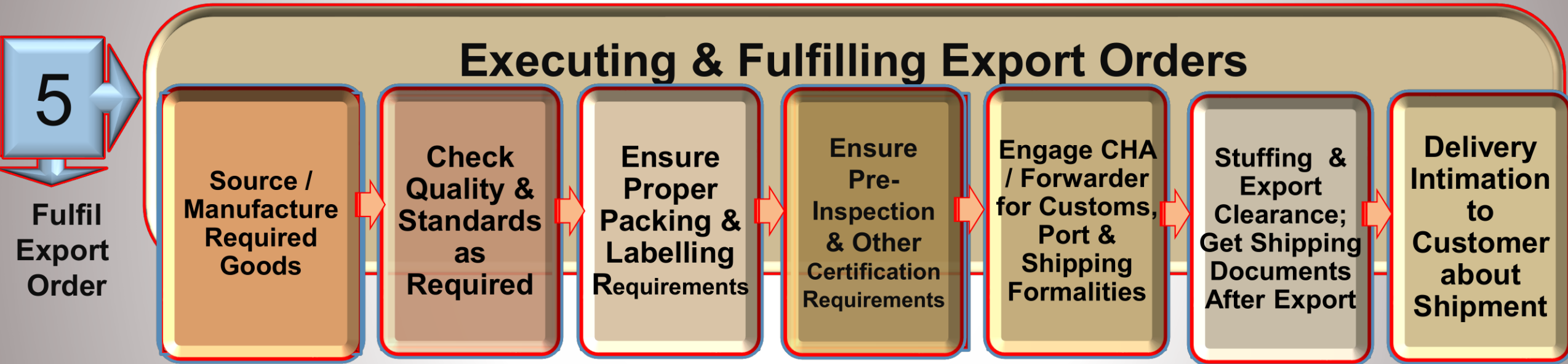
How to  
Get  
Export  
Orders

## Get Export Order & Exercise Due Diligence



# Customer Verification – Due Diligence

Dun & Bradstreet	<a href="http://www.dnb.co.in">www.dnb.co.in</a>	Risk & Business Credentials Report
ICP	<a href="http://www.icpcredit.com/companies/A120.asp-Credit">www.icpcredit.com/companies/A120.asp-Credit</a>	provide international credit status reports, company profiles and business information
<b>CCM</b>	<a href="http://www.cnchemicals.com/">http://www.cnchemicals.com/</a>	Desk Research, search the related information about the supplier or buyer, in <b>China</b>
Globexia	<a href="http://globexia.com/commodity-trade-consulting/due-diligence-checks-in-nigeria/">http://globexia.com/commodity-trade-consulting/due-diligence-checks-in-nigeria/</a>	Carry out in-depth due diligence checks of organisations in <b><u>Nigeria</u></b> for international buyers
Etihad Beare	<a href="http://www.aecb.gov.ae">www.aecb.gov.ae</a>	<b><u>Dubai</u></b>
Board of Investment of Thailand	<a href="http://www.boi.go.th">http://www.boi.go.th</a>	<b><u>Thailand</u></b>
U.K. Govt site	<a href="https://www.gov.uk/get-information-about-a-company">https://www.gov.uk/get-information-about-a-company</a>	<b><u>U.K. Govt site</u></b>



# Export Inquiry to Order Fulfillment

Receipt of Inquiry,  
Sending Offers &  
Negotiating

Making Goods Ready  
with Proper Packing,  
Labeling & Marking

Appointing / Engaging  
CHA / Forwarder  
Reservation of  
Shipping Space

Realizing the Export  
Proceedings

Receipt of Export  
Order or Contract

Arranging / Sourcing /  
Manufacturing  
Required Goods

Arranging Pre-  
Shipment Inspection &  
other Certifications if  
Required

Negotiating the  
Documents in the  
Bank

Exercise Due Diligence  
Assess Credit  
Worthiness of  
Customer

Obtaining Pre-  
Shipment Finance &  
Obtaining Export  
Licenses /  
Authorizations

Packing & Stuffing the  
Goods at Factory /  
Warehouse

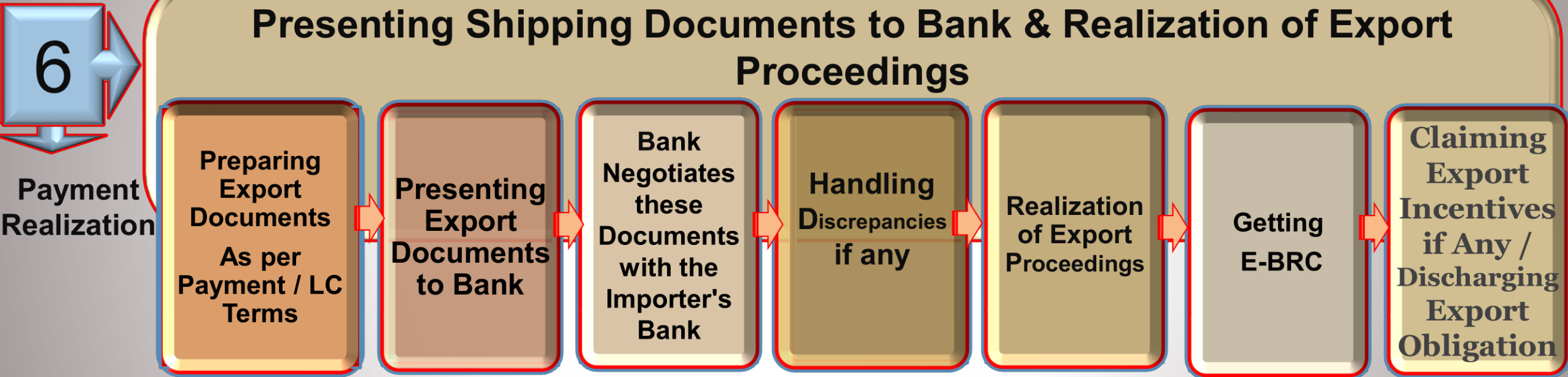
Obtaining S/B & Bill of  
Lading / Air Waybill etc  
after Exports

Verify whether the  
Export order is in Line  
Negotiated Terms &  
Accepting if in  
Agreement

Receiving Advance  
Payments or L/C etc

Preparing Necessary  
Documents -  
Arranging Insurance &  
Dispatch of Goods

Receipt of Goods in  
the Port & Completing  
Customs Clearance



# Startup Tips for Export Business

**Analyze Current Export Performance of Product(s) Identified**

**Review Opportunities for Diversification in a Specific Market**

**Assess national trade performance**

**Identify Promising Export Markets**

**Identify New Supplying Markets**

**Identify existing and potential bilateral trade with any partner country or region:**

**Assess the Level of Competition in the Global Market**

**View Trade Data at the National Tariff Line Level**

**Access trade data as recent as the previous quarter in the same year:**

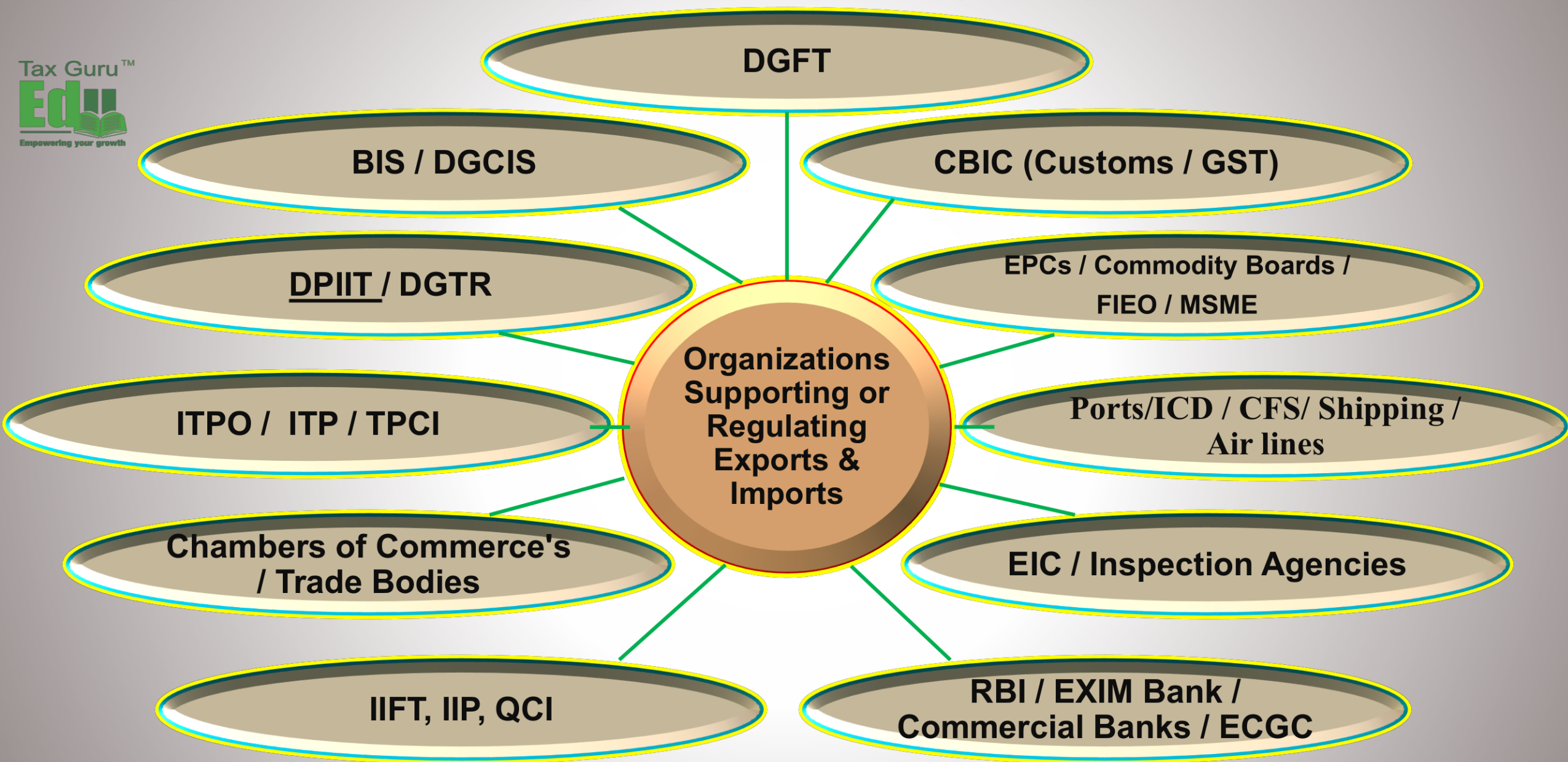
**Assess the Level of Competition in a Specific Export Market:**

**Find Information on the Average Tariffs Applied by Countries to the Import of a Specific Product from Specific Partner Countries**

**Identify companies exporting, importing or distributing a specific product in a number of markets.**



# Organizations Supporting / Promoting or Regulating Exports & Imports





# DGFT

## DGFT Organization

Directorate General of Foreign Trade (DGFT) under Foreign Trade (Development and Regulation) Act, 1992.

- DGFT Headquarter in Delhi and 35 Regional offices in the country with about 2400 employees.

## DGFT Functions

*Formulation of FTP & Import / Export controls;  
Export Promotion;  
Issuance & monitoring of Certificates / authorization;  
Trade Facilitation AND Grievance Redressal AND RSCQC  
Enforcement*

## DGFT Publications FTP

**FOREIGN TRADE POLICY (FTP)  
HANDBOOK OF PROCEDURES**

- VOLUME -I - Procedures; the Appendices & Aayat Niryat forms.
- VOLUME – II - SION (Standard Input Output Norms)
- ITC (HS) CLASSIFICATION OF EXPORT AND IMPORT ITEMS
- All these Policy documents are available in DGFT website: [dgft.gov.in](http://dgft.gov.in)

# Foreign Trade Policy 2015-2020

Extended up to 30th September, 2022, by DGFT VIDE Notification No. 64/2015-2020 Dated: 31st March, 2022.

## 9 Chapters

Chapter -1: LEGAL FRAMEWORK AND TRADE FACILITATION

Chapter 2 : GENERAL PROVISIONS REGARDING IMPORTS AND EXPORTS

Chapter 3 : EXPORTS FROM INDIA SCHEMES

Chapter 4 : DUTY EXEMPTION / REMISSION SCHEMES

Chapter 5 : EXPORT PROMOTION CAPITAL GOODS (EPCG) SCHEME

Chapter 6 : EOUs, EHTPS, STPS & BIO-TECHNOLOGY PARKS (BTSPs)

Chapter 7 : DEEMED EXPORTS

Chapter 7A : TRANSPORT AND MARKETING ASSISTANCE (TMA)

Chapter 8 : QUALITY COMPLAINTS AND TRADE DISPUTES

Chapter 9 : DEFINITIONS



## How to Get IEC

The **Importer - Exporter Code (IEC)** is a key business identification number which is **mandatory for Exports or Imports. No person shall make any import or export except under an IEC Number granted by the DGFT.**

In case of import or export of services or technology, the IEC shall be required only when the service or technology provider is taking benefits under the Foreign Trade Policy or is dealing with specified services or technologies.

**IEC number is the same as the PAN of the firm. The IEC would be separately issued by DGFT.**

**What is the technical requirement for filing an IEC?**

- Valid Digital Signatures Token
- Valid PAN
- Valid Mobile Number and Email ID.
- Valid Address Details of Branch Office
- Valid Bank Account in the name of IEC Holder
- Valid Aadhar Card matching the details with PAN Card

**How to apply for new IEC application?**

- Logon to DGFT website via link <https://dgft.gov.in/> .
- Proceed with registration process by clicking on Login > Register > Register as “Importer/Exporter”
- After registration, Go to My Dashboard → Importer Exporter Code (IEC) → Apply for IEC.

- **Whether we can Get IEC without PAN?**
- **Whether IEC is Mandatory for Service Exports or Imports?**
- **Whether IEC Needs to Update?**

# Importer-Exporter Code (IEC)

## Para 2.05 of FTP

An IEC is a 10-character alpha-numeric number allotted to a person that is mandatory for undertaking any export/import activities. With a view to maintain the unique identity of an entity (firm/company/LLP etc.), consequent upon introduction / implementation of GST, IEC will be **equal to PAN and will be separately issued by DGFT based on an application.**

(a) **No export or import shall be made by any person without obtaining an IEC number** unless specifically exempted. **For services exports, IEC shall be necessary as per the provisions in Chapter 3 only when tech service provider is taking benefits under the Foreign Trade Policy.**

(b) Exempt categories and corresponding permanent IEC numbers are given in Para 2.07 of Handbook of Procedures.

(c) Application process for IEC and updation in IEC is completely online and IEC can be generated by the applicant as per the procedure detailed in the Handbook of Procedure.

(d) An IEC holder has to ensure that details in its **IEC is updated electronically every year, during April-June period.** However, for the current year only, this period is extended by another month i.e. till 31st August, 2021. In cases where there are no changes in IEC details same also needs to be confirmed online.

(e) An **IEC shall be de-activated, if it is not updated within the prescribed time.** An IEC so de-activated may be activated, on its successful updation. This would however be without prejudice to any other action taken for violation of any other provisions of the FTP.

(f) An IEC may be also be flagged for scrutiny. IEC holder(s) are required to ensure that any risks flagged by the system is timely addressed; failing which the IEC shall be deactivated.

**All IEC holders are now legally required to update and validate their IEC Details, even if there are no changes, from April to June once every year through Online system, failing which their IEC shall be de-activated and no import or export activity will be possible.**

In cases where there are no changes in IEC details same also needs to be confirmed online.

**Notification No. 58/2015-2020**

**Dated: 12th February, 2021**



# Role of Export Promotion Councils (EPC)

## Country Image Building

- ❖ Country Image Building through advertising, promotional events, and advocacy

## Export Support Services

- ❖ Export Support Services such as exporter training and information on trade finance, logistics, and customs etc. Establishing communication between exporter community and the government. Guiding members on various matters like utilizing GSP, export finance and insurance of goods.

## Market Research and Publications

- ❖ In terms of lowering the costs of matching local firms with foreign buyers, export promotion agencies can work to reduce general frictions across the entire industry or support individual firms directly.

## Promoting Government Schemes

- ❖ Export Promotional Council (EPC) helps and promotes the exporters by making them aware of the government schemes and other benefits. Assisting exporters to understand and interpret export policies and assistance schemes

## Collecting and Supplying Market Information & Data

- ❖ Collecting export and import data of its members as well as other Industry data that is needed for International Trade and help them take benefits of Market Opportunities.
- ❖ Also data to compare the industry growth and solve any hurdle in between.

## Marketing through Trade Fairs & Sending Trade Delegations

- ❖ Marketing through Trade Fairs or exporter and importer missions
- ❖ To make arrangements for sending trade delegations and study teams to one or more countries for promoting the export of specific products and to circulate the reports of specific products and diversifying to new products.

## Other roles

- ❖ EPC also plays various roles at the policy level to promote and grow the industry.
- ❖ Issuing Certificate of Origin to Indian exporters for origin of goods.

**APPENDIX-2 T of HB  
Provides**

**LIST OF EXPORT PROMOTION  
COUNCILS/COMMODITY BOARDS/EXPORT  
DEVELOPMENT  
AUTHORITIES**

# Export Promotion Councils in India

There are 28+1 Export Promotion Councils.

Federation of Indian Export Organisations(FIEO)- Apex body of all Export Promotion Councils/Commodity Boards/Export Development Authorities(Export Promotion Councils) in India

- Apparel Export Promotion Council
- Basic Chemicals Pharmaceuticals & Cosmetic Export Promotion Council
- Carpet Export Promotion Council
- Cashew Export Promotion Council of India
- CAPEXIL
- Chemicals and Allied Products Export Promotion Council
- Cotton Textiles Export Promotion Council
- Council for Leather Exports
- EEPC (Engineering Export Promotion Council)
- Export Promotion Council for EOUs and SEZ Units
- Electronics & Computer Software Export Promotion Council
- Export Promotion Council for Handicrafts
- Gem & Jewellery Export Promotion Council (GJEPC)
- Handloom Export Promotion Council
- Indian Oilseeds & Produce Exporters Association EPC (IOPEA)
- Indian Silk Export Promotion Council
- Jute Products Development and Export Promotion Council - (JPDEPC)
- Project Exports Promotion Council of India
- The Plastics Export Promotion Council
- Power-loom Dev. and Export Promotion Council
- Pharmaceutical Export Promotion Council
- Shellac & Forest Products Export Promotion Council
- Services Export Promotion Council (SEPC)
- Sports Goods Export Promotion Council (SQEPC)
- Synthetic & Rayon Textiles Export Promotion Council
- Telecom Equipment and Services Export Promotion Council (TEPC)
- Wool Industry Export Promotion Council
- Wool & Woollens Export Promotion Council

# Commodity Boards

**There are 7 Commodity Boards / Development Authorities**

- Agricultural and Processed Food Products Export Development Authority (APEDA)
- Marine Products Export Development Authority (MPEDA)
- Rubber Board
- Coffee Board
- Coir Board
- Tea Board
- Tobacco Board Coconut Development Board

# Export Promotion Council Established for MSME Sector

Press Information Bureau  
Government of India  
Ministry of Micro, Small & Medium Enterprises

31-December-2018 14:56 IST

Ministry of Micro, Small and Medium Enterprises (MSME) has recently established an Export Promotion Cell with an aim to create a sustainable ecosystem for entire MSME development. The benefits likely to accrue to the MSMEs are:

- i. Evaluate readiness of MSMEs to export their products and services
- ii. Recognize areas where improvements are required in order to be able to export effectively and efficiently
- iii. Integration of MSME into global value chain. This was stated by Minister of State (Independent Charge) for Micro, Small and Medium Enterprises, Giriraj Singh in the Lok Sabha today, while replying to a question.

# **DGFT to issue RCMC/ Registration Certificate online**

## **Trade Notice No. 27/2021-2022; Dated: 30.11.2021**

**Electronic filing of Registration Cum Membership Certificate (RCMC) / Registration Certificate (RC) through the Common Digital Platform w.e.f. 06th December 2021**

The objective of the platform is **to provide an electronic, contact-less single window** for the RCMC/RC related processes including Application for Fresh/ Amendment/ Renewal of RCMC/ RC. **Applications for RCMC/ RC may be submitted through the common platform w.e.f. 06th December 2021.**

Submitting applications on this online platform shall not be mandatory for the exporters in the immediate and there shall be a transition period for issuing agencies as well as Exporters to on-board this common digital platform.

The existing procedure of submitting applications directly to the designated issuing agency shall also be in operation in parallel during this transition period. Submission and issuance of RCMC/ RC by the issuing agencies through their system **may continue up to 28th February 2022 or until further orders.**

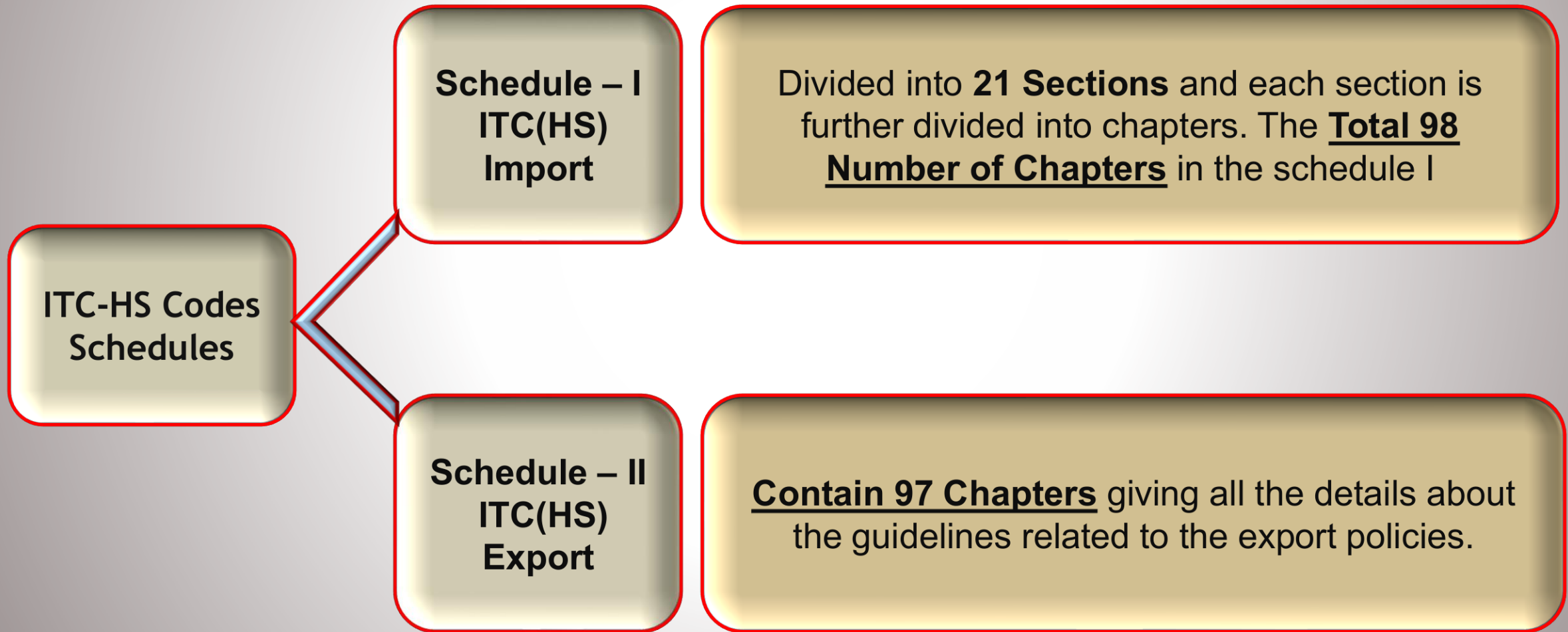
# Other Organizations

S. No	Office/Department	Link/Website
1.	Ministry of MSME	<a href="http://msme.gov.in">http://msme.gov.in</a>
2.	DC - MSME	<a href="http://www.dcmsme.gov.in">http://www.dcmsme.gov.in</a>
3.	NSIC	<a href="http://www.nsic.co.in">http://www.nsic.co.in</a>
4.	National Portal of India	<a href="http://india.gov.in">http://india.gov.in</a>
5.	Rajiv Gandhi Udyami Mitra Yojana	<a href="http://rgumy.nic.in">http://rgumy.nic.in</a>
6.	Prime Minister's Office	<a href="http://pmindia.nic.in">http://pmindia.nic.in</a>
7.	Central Vigilance Commission(CVC)	<a href="http://cvc.gov.in">http://cvc.gov.in</a>
8.	Election Commission of India	<a href="http://eci.nic.in">http://eci.nic.in</a>
9.	SIDBI	<a href="http://www.sidbi.com">http://www.sidbi.com</a>
10.	UNIDO	<a href="http://www.unido.org">http://www.unido.org</a>
11.	WIPO (World Intellectual Property Organization)	<a href="http://www.wipo.org">http://www.wipo.org</a>
12.	RBI	<a href="http://www.rbi.org.in">http://www.rbi.org.in</a>
13.	Income Tax	<a href="http://www.incometaxindia.gov.in">http://www.incometaxindia.gov.in</a>
14.	Development Commissioner - Handicrafts	<a href="http://www.indianhandicrafts.org.in">http://www.indianhandicrafts.org.in</a>
15.	Department of Science & Technology	<a href="http://dst.gov.in">http://dst.gov.in</a>
16.	CII	<a href="http://www.ciionline.org">http://www.ciionline.org</a>
17.	FICCI	<a href="http://www.ficci.com">http://www.ficci.com</a>
18.	ASSOCHAM	<a href="http://www.assochem.org">http://www.assochem.org</a>
19.	DGFT	<a href="http://www.dgft.delhi.nic.in">http://www.dgft.delhi.nic.in</a>
20.	DGS&D	<a href="http://dgsnd.gov.in/">http://dgsnd.gov.in/</a>

S. No	Office/Department	Link/Website
21.	NIC	<a href="http://www.nic.in/">http://www.nic.in/</a>
22.	CFTI-Agra	<a href="http://www.cftiagra.org.in">http://www.cftiagra.org.in</a>
23.	IGTR-Ahmedabad	<a href="http://www.igtrahd.com">http://www.igtrahd.com</a>
24.	IGTR-Aurangabad	<a href="http://www.igtr-aur.org">http://www.igtr-aur.org</a>
25.	CIHT-Jalandhar	<a href="http://www.ciht.in">http://www.ciht.in</a>
26.	TRTC-Guwahati	<a href="http://trtcguwahati.org">http://trtcguwahati.org</a>
27.	CITD (Central Institute of Tool Design) Hyderabad	<a href="http://www.citdindia.org">www.citdindia.org</a>
28.	CTR (Central Tool Room)Ludhiana	<a href="http://www.ctrludhiana.com">www.ctrludhiana.com</a>
29.	IGTR-Indore	<a href="http://www.igtr-indore.com">http://www.igtr-indore.com</a>
30.	CTTC-Bubhaneshwar	<a href="http://www.cttcbbbsr.com">www.cttcbbbsr.com</a>
31.	CTTC-Kolkata	<a href="http://www.msmetoolroomkolkata.com/">http://www.msmetoolroomkolkata.com/</a>
32.	IDTR-Jamshedpur	<a href="http://www.idtrjamshedpur.com">www.idtrjamshedpur.com</a>
33.	CDGI, Firozabad	<a href="http://www.cdgiindia.com/">http://www.cdgiindia.com/</a>
34.	IDEMI	<a href="http://www.idemi.org">www.idemi.org</a>
35.	ESTC-Ramnagar	<a href="http://www.estcindia.com">www.estcindia.com</a>
36.	Forest research Institute, Dehradun	<a href="http://fri.icfre.gov.in/">http://fri.icfre.gov.in/</a>
37.	National Institute for Micro, Small and medium Enterprises	<a href="http://nimsme.org/">http://nimsme.org/</a>
38.	Fragrance & Flavour Development Centre (FFDC)	<a href="http://www.ffdcindia.org/">http://www.ffdcindia.org/</a>
39.	Ministry of Textiles	<a href="http://texmin.nic.in/">http://texmin.nic.in/</a>
40.	ITPO (Indian Trade Promotion organization)	<a href="http://www.indiatradefair.com/">http://www.indiatradefair.com/</a>

# ITC HS Codes

ITC-HS Codes or better known as Indian Trade Clarification based on Harmonized System of Coding was adopted in India for **import-export** operations. Indian custom uses an **Eight Digit ITC-HS Codes**

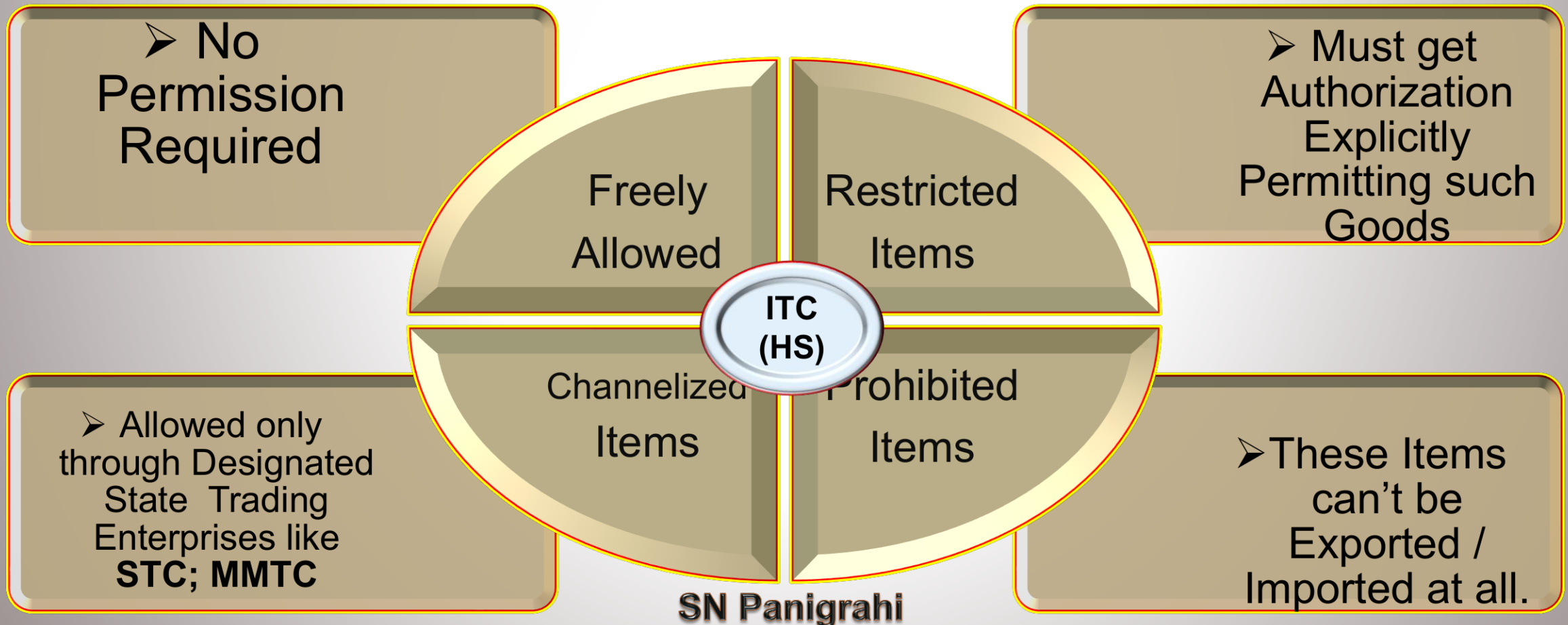




# Exportability of Products

The item wise export and import policy shall be, as specified in ITC(HS) published and notified by Director General of Foreign Trade which Specifies Conditions according to which any goods are allowed for Export or Import.

**Schedule 1 of ITC (HS) Provides for Import and**  
**Schedule 2 of ITC (HS) Provides for Export - [Click](#)**



# ITC (HS), 2018 SCHEDULE- 2 - Export Policy :

## Classes of Export Trade Control

### **“Free Goods”**

Exported without an Export Licence

### **“Prohibited Goods”**

Not Permitted to be Exported.  
Export Licence will Not be Given

### **“Special Chemicals, Organisms, Materials, Equipment's & Technologies (SCOMET)”**

SCOMET Items shall be governed by the specific provisions of (i) Chapter IV A of the FT(D&R) Act, 1992

### **“Restricted Goods”**

Items can be permitted for Export under Licence subject to Procedures / Conditionalities wherever specified

### **“State Trading Enterprises”**

Export through STE(s) is permitted without an Export Licence through designated STEs only

### **“Restrictions on Countries of Export”**

Prohibitions (Country, Organizations, Groups, Individuals etc. and Product Specific)

# Restricted Import Authorization

## What is Restricted Import Authorization?

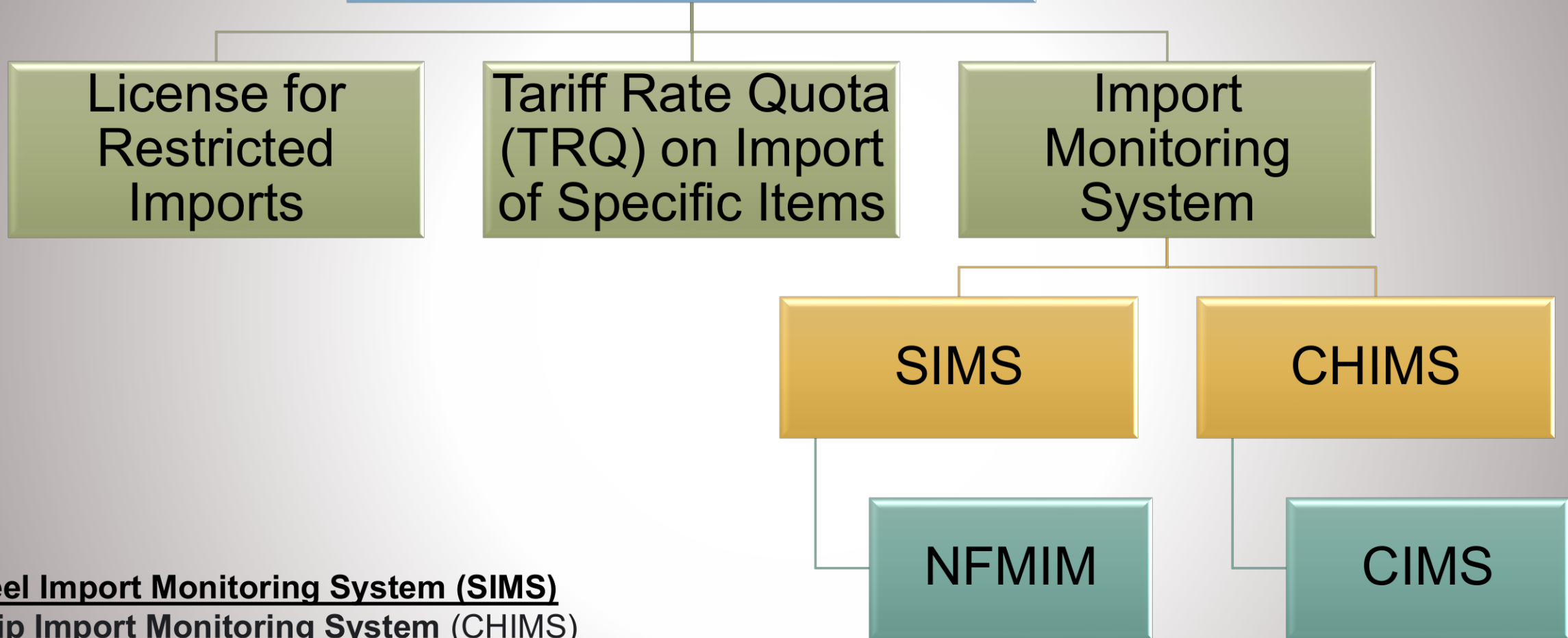
The Restricted Import Items are those items that are not freely importable; require the import license/Authorization/permission from DGFT. The restricted items only can be imported after having the Restricted Import License.

On 23rd March 2021, the Government has introduced the online module to issue the restricted import license under **Import Management System**. No Manual application would be accepted. The License for restricted items is issued by the DGFT Delhi.

## The Application fee and validity of Restricted Import License

The Application fee of Rs. 1 per thousand subjects to a minimum of Rs. 500/- and maximum of Rs.1 Lakh on CIF value of import license will need to be paid through electronic mode in the online system for each license.

# Import Authorization System



**Steel Import Monitoring System (SIMS)**

**Chip Import Monitoring System (CHIMS)**

**Non Ferrous Metals Import Monitoring System (NFMIMS)**

**Coal Import Monitoring System (CIMS)**

SIMS is a **Steel Importing Monitoring System** instituted by the **Ministry of Commerce and Industry, Government of India** to provide advance information about steel imports to both, the government as well as relevant stakeholders.

**Chip Import Monitoring System (CHIMS)** shall require importers to submit advance information in an online system for import of above items. On submission of online data/information, the system will generate an automatic unique Registration Number.

**Non Ferrous Metals Import Monitoring System (NFMIMS)** shall require importers to submit advance information in an online system for import of items in the Annex. On submission of online data/information, the system will generate an automatic unique Registration Number.

The **Coal Import Monitoring System (CIMS)** shall require importers to submit advance information in an online system for import of items and obtain an automatic Registration Number by paying registration fee of Rs. 1 per thousand, subject to minimum of Rs. 500/- and maximum of Rs. 1 lakh, on CIF value.

# GST

- **Whether Exporter or Importer Need to Register with GST?**
  - **Even in case the Threshold Limit of Turnover is Less than Rs 20 Lakhs?**

# Export Promotion Schemes

## RoDTEP

Chapter – 3 of FTP

RoDTEP stands for **Remission of Duties and Taxes on Export Products**. It is a new scheme that is applicable with effect from **January 1st, 2021**, (Replaced MEIS)

Rates under  
**RoDTEP - Appendix 4R**

## Advance Authorization

Chapter - 4 of FTP

The Scheme allows **Duty Free Import of inputs**, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also be allowed – **as per SION**.

## EPCG

Chapter - 5 of FTP

The objective of the Scheme is to facilitate **import of capital goods** for producing quality goods and services and enhance India's manufacturing competitiveness. EPCG Scheme **allows import of capital goods for pre-production, production and post-production at zero customs duty**.

## Duty Drawback

Sec 75 of the  
Customs Act, 1962

Duty Drawback **Allows Refund of Duty** of **Customs and Duty of Central Excise** that are chargeable on Imported and Indigenous Materials used in the Manufacture of Exported Goods.

# Export Promotion Schemes

## EOU

Chapter – 6 of FTP

Introduced in 1981, the Export Oriented Units (EOU) scheme aims to increase exports from India. Under EOU Scheme, manufacturing or service sector units are allowed to be set up with the objective of exporting entire production of goods manufactured or services except limited sale in Domestic Tariff Area (DTA) as provided under the Foreign Trade Policy (FTP).

**Similar other Schemes**  
: STP, EHTP, BTP

## SEZ

SEZ Act, 2005;  
SEZ (Amendment) Act,  
2019

**Special Economic Zone (SEZ)** Policy in India first came into inception on April 1, 2000 is a specifically **delineated duty-free enclave** and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs.

The prime objective was to **enhance foreign investment and provide an internationally competitive and hassle free environment for exports.**

## FTWZ

SEZ Act, 2005;  
SEZ (Amendment) Act,  
2019

The **Free Trade & Warehousing Zones (FTWZ)** shall be a special category of Special Economic Zones with a focus on trading and warehousing.

The objective is to **create trade-related infrastructure to facilitate the import and export** of goods and services with freedom to carry out trade transactions in free currency.

## MOOWR

**Bonded**

**Manufacturing Facility**

Sec 58A & Sec 65, Customs Act, 1962

Through **bonded manufacturing**, all types of businesses can avail exemption on customs duty on imported inputs used in the **production** of finished goods to be exported.

In the case of domestic consumption, the duty on imported inputs is deferred until the finished goods are cleared to the domestic market.





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