## EXPORT ROADMAP — MILESTONE 1

#### How to Start Exporting from India: A Complete 12-Step Beginner-Friendly Guide

By CA Devesh Thakur

Exporting from India is not just a business opportunity — it is a contribution to India's economic growth, global trade presence, and job creation. As a Chartered Accountant and export educator, my mission is to simplify international trade for every Indian entrepreneur.

This blog is part of my 6-Milestone Export Roadmap Series, and today we begin with Milestone 1: Setting up the Foundation for Your Export Business.

Whether you're a student, trader, manufacturer, or aspiring entrepreneur — this guide gives y every essential step you must follow before your first shipment leaves India.

# STEP 1: Choose the Right Business Structure

Your export journey begins with establishing a legal business entity. This structure determines your compliance requirements, bank documentation, liability, taxation, and credibility before international buyers.

Common structures for exporters:

Business Type	Best For	Key Advantages
Sole Proprietorship	Beginners with small scale	Easy setup, minimal compliance
Partnership Firm	Family/Joint ownership	Shared capital & responsibilities
LLP (Limited Liability Partnership)	Professional exporters	Limited liability + flexibility
Private Limited Company	Serious long-term exporters	Global credibility, investor-friendly

Export Tip: If you aim to build a brand or deal with large buyers, Pvt Ltd or LLP boosts global trust.

# step 2: Open a Current Account with an Authorised Dealer (AD) Bank

All export payments come in foreign currency, and RBI authorizes only certain banks to handle such transactions - known as Authorised Dealer Category-I Banks.

You must open a **Current Account** in your business name.

Documents needed:

- PAN of the business
- Proof of business registration
- Address proof
- GST registration (if applicable)

Cancelled cheque

#### Why this matters?

Export finance, inward remittances, bill discounting, and FEMA compliance all require an AD bank account.

#### STEP 3: Obtain Your IEC (Importer Exporter Code)

No exporter can ship goods outside India without an IEC.

It is issued by the DGFT (Directorate General of Foreign Trade) and is mandatory for:

- Customs clearance
- International payments
- **Export incentives**
- Shipping documentation

#### **Key Facts:**

- IEC is PAN-based.
- Lifetime validity.
- Apply online on DGFT portal using Aadhaar OTP.

IEC = Your ticket to global markets.

## **STEP 4: Product Selection + ITC-HS Code Classification**

Every export product must be correctly identified and classified under the ITC-HS (Indian Trade Classification – Harmonised System)

Why HS code matters:

- Determines customs duty, restrictions & compliance
- Required for shipping bill, invoice, certificates, inspection, pricing, etc.
- Helps verify whether your product is freely exportable, restricted, or prohibited

# Structure of HS Code:

- First 2 digits → Chapter
- Next 2 → Heading
- Next 2 → Subheading
- Final 2 → Specific tariff line

### **Export Tip:**

Incorrect HS code classification can delay shipments or cause penalties.

## STEP 5: Conduct Market Research & Find Buyers

Once your product is finalized, the next step is to identify the right target countries & buyers.

Reliable sources for buyer identification:

- DGCIS Export Data
- Export Promotion Councils (EPCs)
- Indian embassies abroad
- Trade fairs/expos
- Global B2B portals: Alibaba, IndiaMART, Global Sources, TradeIndia
- Social platforms: LinkedIn outreach, Instagram marketing

#### Research Points:

- Country demand
- Competitor pricing
- Logistics feasibility
- Import regulations of target country

Good research = Higher success rate.

# STEP 6: Samples, Pricing Strategy & Incoterms 2020

International buyers usually request **samples** before confirming the order. Maintain consistent quality, packaging, and branding even for samples.

# **Export Pricing Must Include:**

- Cost of production
- Packaging
- Inland transport
- CHA charges
- Freight (Air/Sea)
- Insurance
- Banking charges
- Commission (if any)

#### **INCOTERMS 2020** — The Language of Global Trade

Incoterms define responsibility for cost, risk, and logistics between buyer and seller.

### Commonly used:

- FOB (Free on Board) Seller responsible till cargo is loaded on ship
- CIF (Cost Insurance Freight) Seller handles freight + insurance till destination port
- DAP/DDP Seller handles almost everything till buyer's premises

Choosing the right Incoterm protects your profit margin.

### **STEP 7: Secure Yourself with ECGC Risk Cover**

Exporting involves risks like:

- Buyer default
- Country political/economic instability
- Payment delays

To protect exporters, the Export Credit Guarantee Corporation (ECGC) provides insurance:

- Standard Policy
- Shipment Policy
- Buyer-wise policies
- Whole turnover post-shipment insurance

This is essential for new exporters to avoid financial shocks.

# **STEP 8: Prepare Mandatory Export Documentation**

Export documents are the backbone of international trade. Accuracy is non-negotiable.

### **Key Mandatory Documents:**

- Commercial Invoice
- Packing List
- Shipping Bill
- Bill of Lading (BL)/Airway Bill (AWB)
- Certificate of Origin (CoO)
- Insurance Certificate
- Inspection Certificate (if required)
- Letter of Credit (LC) or Bill of Exchange

Mistakes in documentation can stop your cargo at customs — so always double-check.

### 🚅 STEP 9: Hire a Freight Forwarder & CHA

A Freight Forwarder simplifies your logistics.

They help with:

- **Booking containers**
- Air/Sea freight
- Warehousing
- International routing
- **Customs coordination**
- Documentation & packaging advice

A CHA (Customs House Agent) handles customs clearance, HS code compliance, and regulatory filings.

Both are crucial partners in your export success.



### STEP 10: Understand Export Finance (Pre & Post Shipment)

Export finance helps you maintain cash flow until payment arrives from the foreign buyer.

### 1. Pre-Shipment Finance (Packing Credit)

For:

- Raw materials
- **Packaging**
- Production
- Labour

### 2. Post-Shipment Finance

For:

- Bill discounting
- Negotiation under LC
- Export bills purchase

Banks offer lower interest rates for exporters as per RBI guidelines.

### **STEP 11: Export Packaging & Labelling Standards**

Export packaging is not normal packaging — it must withstand:

- Long-distance transportation
- Moisture
- Handling pressure
- International climate conditions

#### Labels must include:

- Shipper & consignee details
- Country of origin
- HS code
- Handling instructions
- Weight & dimensions

**Tip:** Poor packaging = cargo damage = claim disputes.

## **IN STEP 12: Know the Export Promotion Benefits**

Indian exporters receive multiple incentives and support:

### **Export Promotion Councils (EPCs)**

There are **27 councils**, each supporting a specific product sector.

# **RCMC Registration**

Mandatory to avail EPC benefits.

### **Government Schemes:**

- MAI Scheme (Market Access Initiative)
- TMA (Transport and Marketing Assistance)
- Export incentives for e-commerce exports up to ₹10 lakh value

These schemes reduce overall cost and improve competitiveness.

### TABLE: Full Forms of Key Export Terms

Short Form	Full Form
IEC	Importer Exporter Code
DGFT	Directorate General of Foreign Trade
HS Code	Harmonised System Code
ITC-HS	Indian Trade Classification – Harmonised System
DGCIS	Directorate General of Commercial Intelligence & Statistics
EPC	Export Promotion Council
СНА	Customs House Agent
FOB	Free On Board
CIF	Cost Insurance Freight
LC	Letter of Credit
BL / B/L	Bill of Lading
AWB	Airway Bill
СоО	Certificate of Origin
ECGC	Export Credit Guarantee Corporation
AD Bank	Authorised Dealer Bank
RCMC	Registration Cum Membership Certificate
MAI	Market Access Initiative

## Connect With Me

I, CA Devesh Thakur, have started this initiative to simplify exporting for Indians who wish to go global.

If you wish to learn exports, follow updates, or reach out for guidance, connect with me:

Facebook: https://www.facebook.com/cadevesh

LinkedIn: <a href="https://www.linkedin.com/in/cadeveshthakur/">https://www.linkedin.com/in/cadeveshthakur/</a>

**YouTube:** https://www.youtube.com/@cadeveshthakur