

Milestone 6 – From Purchase Order to Final Shipment: The Complete Export Workflow Explained

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Initiative: Promoting Export From India

Exporting is not just about sending goods from one country to another — it is about following a **structured, compliant, and professionally managed workflow** that ensures smooth logistics, timely payment, and a zero-error documentation trail.

After covering 5 critical milestones of the Export Roadmap, we have now reached the **Final Milestone – Milestone 6**, where the real execution of the export order begins.

This milestone explains the **exact 13-step process** that takes place after you receive a Purchase Order (PO) from an international buyer. These steps form the backbone of practical exporting — the same process followed by top exporters globally.

Whether you are an aspiring exporter, MSME owner, manufacturer, trader, or e-commerce exporter, understanding these steps is *non-negotiable*.

Let's begin your final export preparation.

Step 1 — Purchase Order (PO) Received from Buyer

The export journey begins when the buyer issues a **Purchase Order (PO)**.

A PO is a legally binding document that confirms the buyer's intention to purchase.

A proper PO includes:

- Product details (specifications, materials, color, etc.)
- Quantity (e.g., 500 units)
- Price per unit
- **Incoterm** (e.g., FOB Mumbai / CIF Hamburg)
- Delivery timeline
- Packaging requirements
- Inspection conditions
- Any special terms

Once you receive the PO, you must **acknowledge and confirm it over email**.

This confirmation avoids future misunderstandings and ensures both parties agree on the same terms.

Step 2 — Issuing a Proforma Invoice (PI)

The **Proforma Invoice** is the exporter's commitment document — a formal quote that the buyer accepts.

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A PI contains:

- HS Code of the product
- Unit price
- Total order value
- Payment terms (e.g., 30% advance + 70% before shipment)
- Shipping terms under the chosen Incoterm
- Delivery period
- Validity of quotation

The PI is also the document through which the exporter requests the **advance payment**.

Step 3 — Receiving the Advance Payment

Once the buyer processes the advance payment, the exporter receives it through one of these modes:

- TT (Telegraphic Transfer)
- SWIFT
- Remittance to the Current Account
- PayPal / Stripe (for e-commerce export)

The bank will issue a **FIRA (Foreign Inward Remittance Advice)** — an important compliance document required for BRC (Bank Realisation Certificate) later.

Step 4 — Manufacturing Goods as Per Buyer Specifications

After receiving the advance, production begins.

This stage may include:

- Buyer-specific design
- Customized colors
- Private labeling or branding
- High-quality boxes/cartons
- Fragile packaging
- Compliance with product standards

Production must strictly match buyer expectations because export customers evaluate long-term partnerships based on the **first order's quality**.

Step 5 — Quality Check & Inspection

Before shipment, exporters must ensure strict quality checks.

Buyers may request:

- Pre-shipment inspection by a third party
- Drop test (for fragile goods)
- Packaging strength test
- Verification of weight and dimensions
- Inspection certificate

Quality failure at this stage can lead to shipment rejection or heavy losses.

A proper QC process protects the exporter from disputes.

Step 6 — Preparing Mandatory Export Documents

A shipment cannot move without correct documents.

The essential export documents include:

- **Commercial Invoice cum Packing List**
- **Certificate of Origin (COO)**
- **Insurance Certificate** (for CIF shipments)
- **MSDS (Material Safety Data Sheet)** for chemical exports
- **Phytosanitary Certificate** for agricultural exports
- Test reports, quality certificates (if buyer requires)

Accurate documentation = smooth customs + fast payment.

Step 7 — Engaging a CHA/Freight Forwarder

A **Customs House Agent (CHA)** or **Freight Forwarder** becomes your operational partner. Their responsibilities include:

- Booking vessel/air cargo space
- Picking up goods from your factory
- Handling customs procedures
- Container stuffing/loading
- Preparing draft Bill of Lading
- Coordinating with shipping lines

You must hand over all documents to the CHA so they can proceed with customs filing.

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Step 8 — Filing the Shipping Bill on ICEGATE

The CHA files:

- Shipping Bill
- Invoice
- Packing List
- IEC & GST details
- LUT/Bond (if applicable)

The Shipping Bill Number is generated — this is the **core document of export customs clearance**.

Step 9 — Customs Examination & LEO (Let Export Order)

Customs officers may:

- Examine cargo
- Verify HS Code
- Check labels and packaging
- Take product samples

If everything is correct, they issue:

LEO — Let Export Order

This is the official approval that allows goods to leave India.

Without LEO, nothing can be exported.

Step 10 — Stuffing, Loading & Bill of Lading

After receiving LEO, goods are loaded into the container.

The container is moved to the port terminal and loaded onto the vessel or aircraft.

The carrier then issues the **Bill of Lading (BL)**, which contains:

- Shipper details
- Consignee details
- Notify party
- Vessel/flight details
- Port of loading
- Port of discharge
- Container & seal number

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The BL is the **most important logistics document** in international trade.

Step 11 — Receipt of Final Payment (Balance 70%)

Once shipment is ready, you send scanned copies of:

- Invoice
- Packing List
- Bill of Lading
- COO
- Insurance certificate (if applicable)

The buyer releases the final payment.

After receiving it, the bank issues the **BCR (Bank Realisation Certificate)** — required for DGFT benefits and proof of export proceeds.

Step 12 — Couriering Original Documents to Buyer

You courier the original documents through DHL, FedEx, UPS, or Aramex.

The buyer uses these documents for:

- Import customs clearance
- Paying duties
- Releasing cargo at their port

Missing documents = shipment stuck at destination.

Step 13 — Shipment Delivered — Deal Successfully Completed

Once the goods are delivered to the buyer and payment is fully realized, the export cycle for that order is officially completed.

Congratulations — you have executed a successful export shipment!

Short Form – Full Form Table (Used in 13 Steps)

Short Form Full Form

PO Purchase Order

PI Proforma Invoice

HS Code Harmonized System Code

TT Telegraphic Transfer

Short Form Full Form

SWIFT	Society for Worldwide Interbank Financial Telecommunication
FIRA	Foreign Inward Remittance Advice
QC	Quality Check
COO	Certificate of Origin
MSDS	Material Safety Data Sheet
CHA	Customs House Agent
ICEGATE	Indian Customs Electronic Gateway
LUT	Letter of Undertaking
BL	Bill of Lading
LEO	Let Export Order
BRC	Bank Realisation Certificate

Final Words – Join the Export Growth Movement

As **CA Devesh Thakur**, I have started this initiative to help Indian entrepreneurs confidently step into the world of exporting.

India has massive potential — and YOU can be one of the exporters contributing to India's growth story.

👉 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:

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Let's grow Indian exports, together.  IN

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