

## Milestone 5 – : Export Pricing Formula & HS Code Decoding

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Export Roadmap Initiative | Promoting Export From India

Getting export orders is the biggest bottleneck for new exporters in India. Most beginners complete registration, obtain IEC, set up catalogues and even shortlist products—but the real journey begins only when you understand *how to practically reach buyers and close orders with confidence*.

In this Milestone 5 of the Export Roadmap, we break down the real, implementable process of generating export orders. This guide is designed for export learners, MSMEs, merchant exporters, and anyone who wants to create a sustainable export business from India.

### Step 1: Market Research – Finding the Right Country & Product Match

Market research is the backbone of a successful export business. Without choosing the right market, even the best-quality products fail to attract buyers.

#### Key factors to analyse:

1. **Demand size** – Which country imports your product in large volumes?
2. **Competition** – Are Indian exporters already dominating or is it a new opportunity?
3. **Importing country regulations** – Packaging, quality certifications, safety standards.
4. **FTA/PTA benefits** – Duty concessions for Indian goods under Free Trade Agreements.

#### Tools for Market Research:

- **DGCIS Data** (Directorate General of Commercial Intelligence & Statistics)
- **Export Promotion Councils** (27 Councils for various product categories)
- **Indian Embassies & Trade Missions** abroad
- **ITC Trade Map, UN Comtrade, Market Access Map**
- **HS Code-based global demand analysis**

Conducting proper market research ensures you enter the right geography, with clear clarity on pricing, competition and buyer expectations.

### Step 2: Buyer Identification – Where to Find Genuine Buyers

Finding international buyers is not difficult—provided you use the right channels and remain consistent.

#### Top Buyer-Finding Channels:

##### 1. International B2B Marketplaces

- Alibaba
- Global Sources

- IndiaMART (International)
- ExportersIndia
- TradeIndia Global

Create a verified, professional profile with:

- ✓ High-quality product photos
- ✓ Certifications
- ✓ Clear MOQ
- ✓ Payment terms
- ✓ Incoterm options

## 2. Trade Fairs & Exhibitions

As highlighted in the export manual, trade fairs are *one of the most powerful tools* to meet qualified buyers.

Examples:

- Canton Fair (China)
- Heimtextil (Germany)
- Dubai Expo
- IHGF Delhi Fair

## 3. Buyer-Seller Meets (Export Promotion Councils)

EPCs regularly conduct meets between authentic buyers & Indian exporters.

For example:

- EPCH for Handicrafts
- AEPC for Textiles
- Spices Board for Spices
- APEDA for Agro products

## 4. Google Search & Direct Outreach

Most underrated method:

Search keywords like—

- “*Importers of [product] in USA*”
- “*Wholesale [product] distributor Europe*”
- “*Bulk buyers [product] Australia*”

You will find thousands of leads.

### Step 3: Buyer Outreach Strategy – Scripts That Actually Work

Once you identify potential buyers, your communication must be simple, professional and trust-building.

#### Short DM Script (Instagram, LinkedIn, WhatsApp):

"Hello, we are an Indian manufacturer/exporter of [product] under HS Code [HS Code]. We export to [countries] and follow international quality standards. May I share our catalogue & pricing?"

#### Professional Email Script:

**Subject:** Reliable Export Partner for [Product] – From India

Dear [Buyer Name],

We are a registered exporter from India, compliant with IEC & RCMC requirements. We supply [product name] under HS Code [HS Code] and offer:

- Competitive pricing (FOB/CIF/DDP)
- Custom packaging
- Samples
- Timely shipment
- Quality assurance

Kindly confirm if we may share our catalogue and price list.

Regards,

**CA Devesh Thakur**

A structured outreach plan increases reply rates and builds credibility from day one.

### Step 4: Export Pricing Formula – Accurate & Professional

Your price must include all costs from sampling to shipment. The export guide clearly states that accurate costing is critical for profitability.

#### Export Pricing Structure:

##### 1. Base Cost

- Raw materials
- Labour
- Overheads

##### 2. Add Export-Related Costs

- Packaging
- Inland transportation

- CHA charges
- Freight (Air/Sea)
- Insurance (if CIF)
- ECGC premium
- Banking charges

### 3. Apply Incoterm (FOB/CIF/CFR/DDP)

Incoterm decides who bears cost + responsibility.

### 4. Add Profit Margin

Generally 10–30% depending on product category.

A clean pricing structure helps you stay competitive while avoiding losses.

## Step 5: HS Code Decoding – Quick Practical Method

Understanding the HS Code is essential for exporting. The HS Code (Harmonized System) is an 8-digit classification used for customs, compliance, duties and trade regulations.

### Structure of an HS Code (Example: 76069299)

- **First 2 digits:** Chapter
- **First 4 digits:** Heading
- **First 6 digits:** Subheading
- **Full 8 digits:** Tariff Line (specific product description)

### Shortcut for Beginners:

Search:

“HS Code + Product Name + India”

You will find the correct category instantly from DGFT, ICEGATE or CBIC sources.

## Step 6: Samples – The First Impression

Samples decide whether the buyer will proceed with a bulk order. As per export guidelines, ensure:

### Sample Best Practices:

- ✓ High-quality finish
- ✓ Clear labelling
- ✓ Safe packaging
- ✓ Fast shipment

- ✓ Include your brand card
- ✓ Offer basic customization

Remember: *A good sample = trust + bigger orders.*

### **Step 7: Payment Terms – Safe & Professional Methods**

Different buyers prefer different payment structures. For beginners, safety should always be the priority.

#### **Most Common Payment Terms:**

##### **✓ Advance Payment**

20–30% advance + balance before shipment.

##### **✓ Letter of Credit (LC)**

Best for large orders. Ensures security for both parties.

##### **✓ Documentary Collection**

Sight Draft or Usance Draft, processed via banks.

##### **✓ Online Gateways**

PayPal, Stripe, Razorpay (for e-commerce exports)

Never agree to 100% credit unless buyer is verified & trusted.

### **Step 8: Bonus – Psychological Techniques to Convert Buyers**

Small communication techniques can drastically improve your conversion rate.

#### **Technique 1: The MOQ Anchor**

“MOQ is 200 units, but for our first business together, we can begin with 50 units.”

Buyer immediately feels valued.

#### **Technique 2: Incoterm Flexibility**

“We can offer FOB as well as CIF depending on your convenience.”

Flexibility builds trust and positions you as a professional partner.

### Short Forms vs Full Forms Used in This Blog

Short Form	Full Form
HS Code	Harmonized System Code
IEC	Importer Exporter Code
RCMC	Registration-Cum-Membership Certificate
EPC	Export Promotion Council
FTA	Free Trade Agreement
PTA	Preferential Trade Agreement
DGCIS	Directorate General of Commercial Intelligence & Statistics
LC	Letter of Credit
FOB	Free On Board
CIF	Cost, Insurance & Freight
CFR	Cost and Freight
DDP	Delivered Duty Paid
CHA	Customs House Agent
ICEGATE	Indian Customs EDI Gateway
MOQ	Minimum Order Quantity
ECGC	Export Credit Guarantee Corporation
MSME	Micro, Small & Medium Enterprises
EDI	Electronic Data Interchange
AWB	Airway Bill
BL	Bill of Lading
DGFT	Directorate General of Foreign Trade

### 🤝 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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