



A STUDY ON EXPORT DOCUMENTATION PROCESS IN GACIS CARGO SERVICES PVT LTD

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Abstract:

Exports are governed by Foreign Trade (Development & Regulation) Act, 1992 and Export-import (EXIM) Policy. Directorate General of Foreign Trade (DGFT) is the primary governing body responsible for the export and import policies in the country. Since an export trade has to follow a specific set of procedures from receiving inquiries to completion of the transaction, exporters need to get themselves registered with these authorities for ensuring all the legal formalities as required by them are met and also for receiving incentives which are allowed under the export promotion schemes. The Reserve Bank of India (RBI) guidelines have to be met by the exporter. An exporter also requires an Import-Export Code Number from the concerned regional licensing authority.

Key words: clearing, forwarding and order.

Introduction:

India is amongst the world's top 20 nations with respect to the export of merchandise. With the increased liberalization of trade by the Indian Government, there's an abundant opportunity for establishing a profitable export business. For undertaking an export business, an entrepreneur should have a clear understanding of the rules and regulations along with the documentation pertaining to these export transactions.

Governing Authorities:

Export Procedure:

In general, an export procedure flows as stated below:

Exporter gets a request from the potential buyer asking for data with respect to cost, standard and different terms & conditions for transportation of merchandise. The exporter answers with a citation known as a proforma invoice.

In the event that the purchaser approves of the parts of terms and conditions, he puts in the request or 'indent' for the merchandise.

In the wake of getting the request or indent, the exporter attempts an inquiry with respect to the financial soundness of the importer to evaluate



the danger of non-payment by the importer.

As indicated by customs laws, the exporter or the export firm should have a fare permit before continuing with export. The following steps are taken after for acquiring the export license.

opening record in any approved bank

To acquire import export code (IEC) number from Directorate General Foreign Trade (DGFT) or Regional Import Export Licensing Authority (RIELA).

Register with suitable export promoting committee.

To get enrolled with Export Credit and Guarantee Corporation (ECGC).

After getting the export license the exporter meets with his banker to get pre-dispatch finance for carrying out production.

Exporter, after getting the pre-shipment fund from the bank, looks at to prepare the merchandise according to the importer.

The law of India ensures that very selective and incredible quality products are exported out of India. The exporter needs to introduce pre-shipment examination report along with various papers at the time of dispatch.

As demonstrated by the Central Excise Tariff Act, excise duty on the material used as a part of creating the merchandise is to be paid. For a

similar cause, exporter applies to the concerned Excise Commissioner in the area with a receipt.

Remembering the ultimate objective to get Tariff concessions or diverse exclusions the importer may ask for the exporter to send an authentication of origin.

The exporter applies to the logistics organization for the plan of transportation space. He needs to give full information as for the merchandise to be dispatched, conceivable date of shipment and port of destination. The logistics organization issues a transportation course of action. Which is a guideline to the captain of the ship, after accepting an application for dispatching.

The merchandise is stuffed and set apart with crucial data like name and address of the importing person, gross and net. The company Right, port of shipment and destination etc. After this, the exporter makes the strategy for the transportation of merchandise to the port.

To protect the merchandise amid the ocean travel, the exporter gets great guaranteed with the insurance agency.

Before stacking the merchandise on the ship



they must be cleared by the client. For this reason, the exporter makes the bill and submits 5 duplicates of the bill along with:

Certification of origin

Commercial invoice

Export order

Letter of credit

Certification of inspection where essential.

Marine insurance policy

On presenting the mentioned documents, the director of the concerned port trust approaches to obtain to be sent order which is the guideline to the staff at the entryway of the port to allow the cargo within the dock.

After the merchandise have been stacked on the ship, the captain issues mate's receipt to the port administrator which contains data with respect to the vessel, bill, information about the merchandise, date of shipment denotes, the state of the merchandise.

The clearing and forwarding specialist (C&F operator) hands over the mate's receipt to the transportation organization for analyzing the cargo. On accepting the cargo the transportation organization issues a bill of lading.

The exporter readies a receipt for the outgoing merchandises. The receipt contains data with respect to the quantity of merchandise sent and the sum to be paid by the importer. It is properly confirmed by the customs.

After dispatching the merchandise, the importer is given details by the exporter. Different reports like an attested duplicate of the receipt, bill of lading packing list, Insurance arrangement, certificate of origin, and letter of credit are sent by the exporter through his bank. These records are required by the importing merchant for getting the products cleared from customs.

Step 1. Receipt of an Order

The exporter of goods is required to register with various authorities such as the income tax department and Reserve Bank of India (RBI). In addition to this, the exporter has to appoint agents who can collect orders from foreign customers (importer). The Indian exporter receives orders either directly from the importer or through indent houses.

Step 2. Obtaining License and Quota

After getting the order from the importer, the Indian exporter is required to secure an export license from the Government of India, for which the exporter has to apply to the Export Trade



Control Authority and get a valid license. You can get a license from [here](#) too. The quota is referred to as the permitted total quantity of goods that can be exported.

Step 3. Letter of Credit

The exporter of the goods generally ask the importer for the letter of credit, or sometimes the importer himself sends the letter of credit along with the order.

Step 4. Fixing the Exchange Rate

Foreign exchange rate signifies the rate at which the home currency can be exchanged with the foreign currency i.e. the rate of the Indian rupee against the American Dollar. The foreign exchange rate fluctuates from time to time. Thus, the importer and exporter fix the exchange rate mutually.

Step 5. Foreign Exchange Formalities

An Indian exporter has to comply with certain foreign exchange formalities under exchange control regulations. As per the Foreign Exchange Regulation Act of India (FERA), every exporter of the goods is required to furnish a declaration in the form prescribed in a manner.

The declaration states:-

The foreign exchange earned by the exporter on exports is required to be disposed of in the manner specified by RBI and within the specified period.

Shipping documents and negotiations are required to be done through authorized dealers in foreign exchange.

- I. The payment against the goods exported will be collected through only approved methods.

Step 6. Preparation for Executing the Order

The exporter should make required arrangements for executing the order:

Marking and packing of the goods to be exported as per the importer's specifications.

Getting the inspection certificate from the Export Inspection Agency by arranging the reshipment inspection.

Obtaining insurance policy from the Export Credit Guarantee Corporation (ECGC) to get protection against the credit risks.

Obtaining a marine insurance policy as required.

Appointing a forwarding agent (also known as custom house agent) for handling the customs and other related matters.

Step 7. Formalities by a Forwarding Agent



The formalities to be performed by the agent include –

For exporting the goods, the forwarding agent first obtains a permit from the customs department.

He must disclose all the required details of the goods to be exported such as nature, quantity, and the company right to the shipping company.

The forwarding agent has to prepare a shipping bill/order.

The forwarding agent is required to make two copies of the port challans and pays the dues.

The master of the ship is responsible for the loading of the goods on the ship. The loading is to be done on the basis of the shipping order in the presence of customs officers.

Once the goods are loaded on the ship, the master of the ship issues a receipt for the same.

Step 8. Bill of Lading

The Indian exporter of the goods approaches the shipping company and presents the receipt copy issued by the master of the ship and in return gets the Bill of Lading. Bill of lading is an official receipt which provides the full description of the goods loaded on the ship and the name of the port of destination.

Step 9. Shipment Advise to the Importer

The Indian exporter sends shipment advice to the importer of the goods so that the importer gets informed about the dispatch of the goods. The exporter sends a copy of the packing list, a non-negotiable copy of the Bill of Lading, and commercial invoice along with the advice note.

Step 10. Presentation of Documents to the Bank

The Indian exporter confirms that he possesses all necessary shipping documents namely;

Marine Insurance Policy

The Consular Invoice

Certificate of Origin

The Commercial Invoice

The Bill of Lading

Then the exporter draws a bill of exchange on the basis of the commercial invoice. The bill of exchange along with these documents is called Documentary Bill of Exchange. The exporter then hands over the same to his bank.

Step 11. The Realization of Export Proceeds

In order to realize the proceeds of the export,



the exporter of the goods has to undergo specific banking formalities. On submission of the bill of exchange, these formalities are initiated.

Objectives of Study:

To understand the apparel business process

To understand the working department of Uniroyal marine export contributing to wards processing of an export order

To study the export documentation in Uniroyal marine export
Pre-shipment procedure
Post-shipment procedure

Scope of the Study:

This study helps to improve the performance of the company.

This study helps to promote the business.

This study helps to customer retention.

This study helps to develop the relationship with the customers.

This study helps to fulfil the customer 'expectation.

This study helps to improve the company 'loyalty.

Limitation of study:

Lack of scientific training in the methodology of research

Lack of time, money

Lack of confidence on the part of business units to give information lack of code of conduct

Difficulty of adequate and timely secretarial assistance

Research methodology:

Research methodology is the path through which researchers need to conduct their research. It shows the path through which these researchers formulate their problem and objective and present their result from the data obtained during the project. To address the key research objectives, this research used both qualitative and quantitative methods and combination of primary and secondary sources. The qualitative data supports the quantitative data analysis and results. The result obtained is triangulated since the researcher utilized the qualitative and quantitative data types in the data analysis. The study area, data sources, and sampling techniques the company discussed under this section.

Research design:

The research design is intended to provide an appropriate framework for a study. A very significant decision in research design process is the choice to be made regarding research approach since it determines how relevant information for a study will be obtained; the company, the research design process involves many interrelated decisions.



This study employed a mixed type of methods. The first part of the study consisted of a series of the company structured questionnaires (for management, employee’s representatives, and technician of industries) and semi-structured interviews with key stockholders (government bodies, ministries, and industries) in participating organizations. The other design used is an interview of employees to know how they feel about safety and health of their workplace, and field observation at the selected industrial sites was undertaken.

Sample size:

Taking to account the nature and extend of study. Along with the constraints of time a sample of 25 employees were surveyed with GACIS CARGO SERVICES PVT LTD.

Sampling method:

The simple random sampling technique was followed the company. In this process visit customers directly and collected the data and also through mail.

Period of Study:

The period of study from February 2023 to March 2023.

Method of Data Collection:

The data needed for the research study the

company collected by two sources primary Sources and secondary sources.

Primary data:

The Primary data is collected from GACIS CARGO SERVICES employees, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources.

Secondary data:

The term is used in contrast with the term secondary data. Secondary data is data gathered from studies, surveys, or experiments that have been run by other people or for other research.

Data Analysis & Interpretation:

The data collected from the employees regarding the present documentation process was taken and analyzed. The following pages detail on the analysis done based on percentage calculation and weighted average method.

SI. No	AGE	NO.OF. RESPONDENTS	PERCENTAGE
1	20-30	10	40
2	31-40	5	20
3	41-50	5	20
4	above 50	5	20



Table 1: THE CLASSIFICATION OF RESPONDENTS

The above table and figure shows that out of 25 respondents the 40% of employee is include in 31-40ages. The 30% of employees include in 41-50 ages. The 20% of employees are include in 20-30. Others are above 50 years.

TABLE 2: GENDER CLASSIFICATION OF RESONDENTS

SI.NO	GENDER	NO.OF. RESPONDENT	PERCENTAGE
1	MALE	15	60
2	FEMALE	10	40

The above table shows that out of 25 respondents. The 60% of employees are male and rest 40%are female.

TABLE 3: CLASSIFICATION OF RESPONDENTS BASED ON EXPERIENCE

SI. NO	EXPERIENCE	NO. OF RESPONDENT	PERCENTAGE
1	BELOW 3 YRS	5	20
2	4-7 YRS	10	40
3	8-10 YRS	5	20
4	ABOVE 10 YRS	5	20

The above graph the experience of the

employees working in the company 40% of the employees have 4-7 year experience and other three categories of respondents20% each.

SI. No	PARTICULAR	NO.OF RESPONDENT	PERCENTAGE
1	BELOW 5000	5	20
2	5000-10000	15	60
3	10000-15000	2	8
4	ABOVE 15000	3	12

TABLE 4: CLASSIFICATION OF RESPONDENTS BASED ON THE INCOME LEVEL

The above table shows 60% of employees have more than 15000 level of income and the 8% of employees have an income of 10000-15000 and the 60% of employee havean income level of 5000-10000 and remaining the 20% of employees have below 5000

SEA FREIGHT IN %	AIR FREIGHT IN %	TOTAL
70	30	100

Table 5: RESPONDENTS OPINION ON THE MODE OF FREIGHT USED

The above table shows the percentage of sea freight and air freight which is 70%



and 30% respectively.

RESPONDENTS OPINION ON THE REQUIREMENT OF SEPARATE EXPORT IMPORT DEPARTMENT

The below table shows that the 40% of the respondents strongly agree that they require a separate export import department. However the 20% of them agree for the same the 16% of them are neutral in their view. A minimum of the 12% disagree and another 12% strongly disagree for this. So it is understood that a separate export import department is required.

SL.NO	PARTICULAR - 1	NO: OF RESPONDENTS	PERCENTAGE
1	STRONG AGREE	10	40
2	AGREE	5	20
3	NEUTRAL	4	16
4	DISAGREE	3	12
5	STRONG DISAGREE	3	12
	TOTAL	25	100

RESPONDENTS OPINION ON THE REQUIREMENT OF QUALIFIED PERSON ARE REQUIRED TO HANDLE EXPORT IMPORT TRANSECTION

The above table shows that the 60% of the respondent strongly agree that qualified persons are required to handle export import transaction. The 8% of them are agree. The 8% of them are neutral in their view. A minimum of 12% disagree and another 16% strongly disagree for this. So understood that qualified person handle export import transaction.

RESPONDENTS OPINION ON THE REQUIREMENT OF UP TO DATE KNOWLEDGE IS THE NEED OF HOUR

SL. NO	PARTICULAR - 3	NO OF RESPONDENTS	PERCENTAGE
1	STRONG AGREE	18	72
2	AGREE	5	20
3	NEUTRAL	2	8
4	DISAGREE	0	0
5	STRONG DISAGREE	0	0
	TOTAL	25	100

The above table shows that 72% of the respondent strongly agree that up to date knowledge is needed. The 20% of them are agree the 8% of them are neutral in their view. And the 0% are disagree and strong disagree. So understand that up to date knowledge is the need of hour.



RESPONDENTS OPINION ON THE REQUIREMENT OF THE DOCUMENT PROCESS ARE VERY UNIQUE

SL NO	PARTICULAR-4	NO: OF RESPONDENTS	PERCENT AGE
1	STRONG AGREE	4	16
2	AGREE	2	8
3	NEUTRAL	16	64
4	DISAGREE	2	8
5	STRONG DISAGREE	1	4
	TOTAL	25	100

The above table shows that 16% of the respondent strongly agree that document process are unique. The 8% of them are agree. The 64% of them are neutral in their view. And 8% are disagree and 4% strong disagree. So understand that document process are unique.

Findings of the Study:

It is observed that out of 25 respondents 40% of the employee of the company are included in 31-40 ages. 30% of employees include in 41-50 ages. the 20% of employee are included in 20-30, others are above 50 years

It is observed that out of 25 respondent 60% of employees are male and rest 40% are female

It is observed that the experience of the employees working in the company 40% of the employees have 4-7 year experience and other three category of respondents 20% each.

It is observed that 60% of employees have more than 15000 level of income and 8% of employees have an income of 10000-15000 and 60% of employee have an income level of 5000-10000 and remaining 20% of employees have below 5000.

It observed that the percentage of sea freight and air freight which is 70% and 30% respectively.

Conclusion:

The export process at Uniroyal marine export limited is a major function of the GACIS CARGO SERVICES PVT LTD company. The company's export documentation can be revised the company for more effective Processing. Through the study it is clear that the employees are comfortable in the present export documentation. Also the company's future plan for imports can be implemented with the existing employees and by forming a separate department for imports .the study reveals the export import process in efficient because of the qualified employees and the process is well defined with the organization



for future challenges

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