1. State the steps involved in the processing of an export order. Explain them briefly.

Ans: The various steps involved in the processing of an export order.
These are listed as follows:
1. Having an Export Order:
Processing of an export order starts with the receipt of an export order. An export order, simply stated, means that there should be an agreement in the form of a document, between the exporter and importer before the exporter actually starts producing or procuring goods for shipment. Generally an export order may take the form of proforma invoice or purchase order or letter of credit. You have already learnt these just in the preceding section.
2. Examination and Confirmation of Order:
Having received an export order, the exporter should examine it with reference to the terms and conditions of the contract. In fact, this is the most crucial stage as all subsequent actions and reactions depend on the terms and conditions of the export order.
The examination of an export order, therefore, includes items like product description, terms of payment, terms of shipment, inspection and insurance requirement, documents realising payment and the last date of negotiation of documents with the bank. Having being satisfied with these, the export order is confirmed by the exporter.
3. Manufacturing or Procuring Goods:
The Reserve Bank of India (RBI), under the export credit (interest subsidy) scheme, extends pre-shipment credit to exporter to finance working capital needs for purchase of raw materials, processing them and converting them into finished goods for the purpose of exports.
The exporter approaches the bank on the basis of laid down procedures for the pre-shipment credit. Having received credit, the exporter starts to manufacture / procure and pack the goods for shipment overseas.
4. Clearance from Central Excise:
As soon as goods have been manufactured/ procured, the process for obtaining clearance from central excise duty starts. The Central Excise and Sale Act of India and the related rules provide the refund of excise duty paid. There are two alternative schemes whereby 100 per cent rebate on duty is given to export products on the submission of the proof of shipment.
The first scheme is to make payment of the excise duty at the time of removing the export consignment from the factory and file a claim for rebate of duty after exportation of goods. The second scheme is to remove goods from factory/warehouse without payment but under an appropriate bond with the excise authorities. The exporter needs to apply on a form known as AR4 or AR4A to the Central Excise Range Superintendent for obtaining excise clearance.
Form A is filed when goods are to be cleared after examination by the excise inspector. In all other cases, form AR4A is filed.
5. Pre-Shipment Inspection:
There are number of goods whose export requires quality certification as per the Government of India’s notification. Consequently, the Indian custom authorities will require the submission of an inspection certificate issued by the competent and designated authority before permitting the shipment of goods takes place.
Inspection of export goods may be conducted under:
(i) Consignment-wise Inspection
(ii) In-process Quality Control, and
(iii) Self-Certification.
The Inspection Certificate is issued in triplicate. The original copy is for the customs verification. The second copy of the certificate is sent to the importer and the third copy remains with the exporter for his reference purpose.
6. Appointment of Clearing and Forwarding Agents:
On completion of the process of obtaining the Inspection Certificate from the custom agencies, the exporter appoints clearing and forwarding agents who perform a number of functions on behalf of the exporter.
The main functions performed by these agents include packing, marking and labeling of consignment, arrangement for transport to the port arrangement for shipment overseas, customs clearance of cargo, procurement of transport and other documents.
In order to facilitate the exporter in discharging his duties, the following documents are submitted to the agent:
(i) Commercial invoice in 8-10 copies
(ii) Customs Declaration Form in triplicate
(iii) Packing list
(iv) Letter of Credit (original)
(v) Inspection Certificate (original)
(vi) G.R. Form (in original and duplicate)
(vii) AR4/AR4A (in original and duplicate)
(viii) GP-I/GP-2 (original)
(ix) Railway Receipt/Lorry Way Bill, as the case may be
7. Goods to Port of Shipment:
After the excise clearance and pre-shipment inspection formalities are completed, the goods to be exported are packed, marked and labeled. Proper marking, labeling and packing help quick and safe transportation of goods. The export department takes steps to reserve space on the ship through which goods are to be sent to the importer.