STANDARD OPERATING PROCEDURE (SOP)
Import-Export Supply Chain Operations

Document Title	SOP – Import-Export Supply Chain Operations (SAMPLE MODULE)
Status	Prepared to illustrate SOP format based on the uploaded Process Guide
Applicability	Import-Export supply chain operations – from Purchase Order issuance through export sales documentation
Source Material	Supply Chain Process Guide: Import-Export Operations
Skilling & Mentorship Obligation	Exim Team in association with external consultants as required from Time to Time

1. Purpose

This SOP sets out the standardised, step-by-step procedure for the import-export supply chain – from issuance of the Purchase Order through to export sales documentation – so that each stage is executed consistently, is properly documented, and has clear ownership and accountability. This document is a sample module prepared from the uploaded Process Guide, intended to illustrate the proposed SOP format for review before the remaining process areas are finalised in the same structure.

2. Scope & Applicability

This SOP applies to all import-export transactions of the organisation, covering procurement (Purchase Order issuance), inbound logistics and customs clearance of imports, factory receipt and manufacturing, and outbound sales/export documentation. It is intended for use by the Procurement, Logistics, Customs/CHA-facing, Factory/Stores, Production and Sales/Export functions.

3. Abbreviations

- PO – Purchase Order; GRN – Goods Receipt Note; BOM – Bill of Materials
- CHA – Customs House Agent; BOE – Bill of Entry; EDI – Electronic Data Interchange
- EPCG – Export Promotion Capital Goods Scheme; SEZ – Special Economic Zone; FTA – Free Trade Agreement
- RoDTEP – Remission of Duties and Taxes on Exported Products

- FEMA – Foreign Exchange Management Act, 1999; DGFT – Directorate General of Foreign Trade

4. Roles & Responsibilities

Role	Responsibility
Procurement Team	Drafts and issues Purchase Orders; obtains approvals per authorisation matrix; monitors PO status and processes amendments; maintains the Purchase Order Register.
Supplier	Prepares shipment per PO/Incoterms; arranges pre-shipment inspection where required; coordinates with freight forwarders; prepares and shares export documentation (Commercial Invoice, Packing List, Certificates, Export Licences) in advance of shipment.
Customs House Agent (CHA)	Compiles import documentation; prepares and files the Bill of Entry with correct classification, valuation and duty computation; liaises with Customs on assessment/examination; maintains the Bill of Entry Register.
Customs Authority	Assesses the Bill of Entry, verifies classification/valuation, may call for additional documents based on risk parameters, and grants clearance (including provisional assessment where applicable).
Logistics/Transportation Team	Arranges onward transportation from port/airport to the destination facility; ensures Delivery Challan, Lorry Receipt/Consignment Note, E-way Bill and other transit documents accompany the goods.
Factory/Stores Team	Plans for inward deliveries; verifies receipt against transport documents and PO; conducts inspection; generates the Goods Receipt Note (GRN); reports discrepancies.
Production/Manufacturing Team	Issues materials against Bill of Materials and production orders; maintains the Input Register and production logs; supports traceability for duty drawback/RoDTEP and Rules of Origin compliance.
Sales/Export Team	Validates customer purchase orders; prepares shipment and export documentation (Tax/Commercial Invoice, Shipping Bill, Packing List, Certificate of Origin); coordinates export clearance and freight forwarding; maintains the Sales Order Register.

5. Process Flow Overview

The end-to-end process moves through eight stages, each detailed in Section 6:

- 1. Purchase Order Issuance and Management
- 2. Supplier Shipment Process and Documentation
- 3. Bill of Entry (BOE) Filing Process
- 4. Customs Clearance Procedures
- 5. Transportation and Logistics Management
- 6. Factory Inward Operations
- 7. Manufacturing and Production Management
- 8. Sales Order Processing and Export Documentation

6. Detailed Procedure

6.1 Purchase Order Issuance and Management

The procurement process begins with the Purchase Order (PO), the foundational document establishing the contractual relationship between buyer and supplier.

Procedure Steps

1. Procurement Team drafts the PO based on an approved requisition, specifying product details, quantities, pricing, delivery timelines and payment terms in line with organisational purchasing policy.
2. The draft PO is routed for approval per the applicable authorisation matrix.
3. On receipt of all required approvals, the PO is issued to the supplier via email or the enterprise procurement system.
4. Procurement Team tracks order status against delivery timelines; any change to quantity, specification, pricing or delivery date is processed as a formal amendment through the original approval workflow.
5. The Purchase Order Register is updated and reconciled regularly with accounts payable records.

6.2 Supplier Shipment Process and Documentation

Once the PO is accepted, the supplier initiates the shipment process – a critical transition of responsibility that requires meticulous documentation.

Procedure Steps

1. Supplier prepares the shipment in accordance with PO specifications and the agreed Incoterms.

2. Supplier arranges pre-shipment inspection where required and obtains necessary permits for controlled goods.
3. Supplier coordinates with the freight forwarder for transportation and maintains quality control procedures through packing.
4. Supplier shares digital copies of all shipping documents with the buyer in advance of physical shipment.

Documentation Required

- Commercial Invoice – supplier/buyer details, invoice number, item descriptions with HS codes, pricing and payment terms.
- Packing List – package counts, dimensions, weights, contents and handling instructions.
- Certificates – Origin, inspection, quality, and MSDS for hazardous materials, as applicable.
- Export Licences – for controlled or restricted items.

All documentation must be prepared accurately and consistently to prevent customs delays, demurrage charges or shipment rejection.

6.3 Bill of Entry (BOE) Filing Process

The Bill of Entry filing is a critical compliance step in the import process, serving as the customs declaration for legal clearance of imported goods.

Procedure Steps

1. CHA/applicant compiles all necessary documents – Commercial Invoice, Packing List, Bill of Lading/Airway Bill, insurance certificate, and any Certificate of Origin or product-specific certification.
2. CHA prepares the BOE in the prescribed format, classifying goods under the correct HS code, determining assessable value and calculating applicable duties/taxes.
3. The completed BOE is submitted through the customs EDI system (e.g., ICEGATE in India) per jurisdiction-specific electronic filing requirements.
4. Customs authorities assess the BOE, verify classification and valuation, and may call for additional documents based on risk-assessment parameters.
5. Applicant and CHA maintain a comprehensive Bill of Entry Register for all import declarations.

6.4 Customs Clearance Procedures

Customs clearance is the point at which goods transition from international transit to domestic jurisdiction, involving duty assessment, compliance verification and physical examination.

Procedure Steps

1. For standard clearances, duty is paid within the stipulated timeframe (typically 1–2 working days) via authorised banks to avoid demurrage; the Duty Payment Challan is retained as proof of payment for audit purposes.
2. For goods eligible for preferential tariff treatment or duty exemption (e.g., EPCG, SEZ benefits, FTAs), the CHA/applicant submits the relevant licences/certificates with the BOE; Customs verifies authenticity before granting clearance.
3. Where final duty determination cannot be made immediately (pending tests, valuation disputes, classification issues), clearance may be allowed under provisional assessment against a security bond/bank guarantee, pending final assessment.
4. Applicant maintains comprehensive clearance records for each shipment for a minimum of five years, and conducts regular internal audits of customs documentation.

6.5 Transportation and Logistics Management

After customs clearance, goods must be securely transported from the port/airport to the destination facility, requiring coordination between multiple parties.

Procedure Steps

1. Logistics Team arranges onward transportation and ensures the driver/transporter carries the required documents.
2. Electronic copies of transport documents are maintained in the transportation management system while physical documents travel with the goods.
3. Any special permits (hazardous materials, oversized loads) and gate passes for port/airport/industrial-zone entry-exit are arranged in advance.

Documentation Required

- Delivery Challan – itemised list of goods being transported.
- Lorry Receipt/Consignment Note – contract of carriage between shipper and transporter.
- E-way Bill – electronic documentation for movement of taxable goods.
- Customs Clearance Documents – copies for potential inspection during transit.
- Special Permits and Gate Passes, as applicable.

6.6 Factory Inward Operations

On arrival at the factory, goods undergo verification, inspection and formal receipt acknowledgment, forming the foundation for inventory accuracy and financial accounting.

Procedure Steps

1. Factory/Stores Team plans for incoming deliveries based on advance shipping notifications, arranging storage space and inspection personnel.
2. On arrival, the team verifies the shipment against transport documents and PO details – package counts, damage inspection, and seal integrity.
3. Packages are opened for detailed inspection – quantity, quality and condition assessment, including batch sampling/laboratory testing or dimensional verification where applicable.
4. Based on inspection results, a Goods Receipt Note (GRN) is generated in the inventory management system, triggering inventory update and payment approval.
5. Any discrepancy is promptly documented and communicated to the supplier and logistics provider.

6.7 Manufacturing and Production Management

The transformation of imported materials into finished goods requires meticulous record-keeping to maintain traceability, ensure compliance and support accurate financial reporting.

Procedure Steps

1. Production Team issues materials from stores against the Bill of Materials (BOM) and production order references.
2. The Input Register is maintained, capturing material issue date and reference number, material code/description/specification, batch/lot numbers and expiry dates, quantities issued, BOM reference, production order reference, and authorisation signatures.
3. Production logs are maintained documenting the actual manufacturing process and outputs.

Documentation Required

- Duty Drawback/RoDTEP claim records – for exported goods manufactured using imported inputs.
- Shipping Bill declarations maintained per FEMA regulations.
- Rules of Origin documentation – ensuring Certificate of Origin compliance with DGFT/Customs requirements.

6.8 Sales Order Processing and Export Documentation

The export cycle begins with validation of the customer's purchase order and concludes with export clearance and freight booking.

Procedure Steps

1. Sales Team validates the customer PO against terms, pricing and specifications, conducts credit checks, and creates the formal Sales Order in the enterprise system.
2. Goods are picked, packed and prepared per customer requirements and transportation specifications, in compliance with export regulations.
3. Export documentation is prepared – Tax Invoice, Commercial Invoice, Shipping Bill, Packing List, Certificate of Origin, and any product-specific certifications required by the destination country.
4. Shipment undergoes customs examination and clearance, with electronic filing of the Shipping Bill as the primary export declaration.
5. Freight forwarder is engaged for transportation booking, cargo handling and obtaining the Bill of Lading/Airway Bill.
6. The Sales Order Register is updated as the authoritative record of customer commitments, supporting both fulfilment and financial reporting.

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7. Records & Retention

The following registers/records must be maintained by the relevant custodian function and made available for internal and statutory audit:

Record / Register	Custodian	Retention / Notes
Purchase Order Register	Procurement Team	Reconciled regularly with accounts payable records
Bill of Entry Register	CHA / Applicant	BOE numbers, filing dates, importer codes, duty amounts, clearance dates, licence/bond details
Duty Payment Challans, licence copies, assessment orders, examination reports, bond utilisation records	Applicant/Importer	Minimum 5 years; regular internal audit recommended or
Delivery Challan, Lorry Receipt/Consignment Note, E-way Bill	Logistics Team	Physical copies to travel with the driver; electronic copies in the transportation management system
Goods Receipt Note (GRN)	Factory/Stores Team	Basis for inventory update and payment approval
Input Register / Production Logs	Production Team	Material issue date, code, batch/lot, BOM and production order references

Sales Order Register	Sales/Export Team	Order references, dates, customer details, values, payment terms, product information

8. Compliance Notes

- Documentation at every stage should be prepared accurately and consistently to prevent customs delays, demurrage charges or shipment rejection.
- Preferential tariff/duty exemption claims (EPCG, SEZ, FTA) require the relevant licence/certificate to be filed with the BOE and the supporting records to be preserved for post-clearance audit.
- Duty Drawback/RoDTEP claims and Rules of Origin documentation should be reconciled with the Input Register to support traceability of imported inputs used in exported goods.
- Regular internal audit of customs and export documentation is recommended, given the minimum five-year retention requirement for clearance records.

STANDARD OPERATING PROCEDURE (SOP)
International Supply Chain Compliance Training Program

Document Title	SOP for International Supply Chain Compliance Training Program
Document Owner	Luminous Power Technologies Private Limited
Applicability	Internal training programs and external training workshops/programs on international trade and supply chain compliance
Skilling & Mentorship obligation	Exim Team

1. Purpose

This SOP lays down the standardised process for planning, scheduling, delivering and evaluating training programs on international trade and supply chain compliance, covering customs, Foreign Trade Policy (FTP)/DGFT, BIS/Quality Control Order (QCO), and Special Economic Zone (SEZ)/Export Oriented Unit (EOU)/MOOWR-related requirements. It is intended to be used uniformly for (i) in-house training conducted for a company internal team, and (ii) open/external training workshops from consultant.

2. Scope & Applicability

This SOP applies to all training programs conducted or facilitated by Luminous Power Technologies Private Limited relating to international supply chain compliance, whether delivered on a client's premises/virtual platform for its internal personnel, or as an external workshop open to multiple participants/organisations. It covers the complete training lifecycle – from needs assessment and scheduling to delivery, assessment and record-keeping.

3. Abbreviations

- BCD – Basic Customs Duty; IGST – Integrated Goods and Services Tax
- CTH/HSN – Customs Tariff Heading / Harmonised System of Nomenclature
- DGFT – Directorate General of Foreign Trade; FTP – Foreign Trade Policy
- EPCG – Export Promotion Capital Goods Scheme
- SEZ/EOU – Special Economic Zone / Export Oriented Unit; MOOWR – Manufacture and Other Operations in Warehouse Regulations
- BIS/QCO – Bureau of Indian Standards / Quality Control Order

- SCN – Show Cause Notice

4. Training Objectives

1. Build working knowledge of the end-to-end import/export process, including documentation, customs classification, valuation and duty structure.
2. Familiarise participants with key regulatory compliance checkpoints – Customs, FTP/DGFT, BIS/QCO and SEZ/EOU/MOOWR.
3. Provide process-specific working knowledge of licensing schemes such as Advance Authorisation and EPCG, and of import/export clearance procedures.
4. Extend the training beyond pure compliance into the broader supply chain – vendor/procurement due diligence, contracts, and Incoterms.
5. Equip participants to identify red flags, respond to departmental audits/SCNs, and reduce compliance risk through practical case studies.

5. Training Curriculum – Modules

The curriculum is organised into four modules, delivered across 12 sessions (see Training Calendar at Section 9). Modules may be reordered or condensed depending on the specific needs of the client/external cohort, subject to the Program Coordinator's sign-off.

Module A – End-to-End Import/Export Process

Covers trade documentation, customs classification and valuation basics, forming the foundation for all subsequent modules.

Module B – Regulatory Compliance Checkpoints

Covers Customs duty/exemption framework, FTP/DGFT overview, SEZ/EOU/MOOWR schemes, and BIS/QCO compliance.

Module C – Process-Specific Deep Dives

Covers step-by-step import and export clearance procedures and licensing processes such as Advance Authorisation and EPCG.

Module D – Broader Supply Chain & Risk Management

Covers vendor/procurement compliance, Incoterms, and risk management including departmental audits, SCNs and case studies.

6. Roles & Responsibilities

Role	Responsibility

Program Coordinator	Overall planning and scheduling of the training calendar; coordination with Exim team; logistics, and other team members.
Lead Trainer / Subject Matter Expert (SME)	Design of session content, delivery of the training, preparation of case studies, and responding to participant queries.
Content & Documentation Support	Preparation and updating of training material, presentations, handouts, attendance sheets, and feedback forms.
Client Nodal Officer (for internal training)	Nomination of participants, sharing of client-specific process documents/case facts (with confidentiality safeguards), and internal scheduling coordination.
Participants	Attend sessions, complete pre-reads/assessments if any, and provide session feedback.

7. Pre-Training Procedure

1. Conduct a brief training needs assessment (for internal training) or define the target (for external workshops).
2. Finalise the training calendar (Section 9) and circulate at least 2 weeks prior to the first session.
3. Prepare/update session-wise presentations, handouts and case studies; for internal training,
4. Issue calendar invites/registration links; confirm venue or virtual platform, and test connectivity/AV arrangements at least 1 day in advance.
5. Circulate pre-reads, if any, at least 2 days before each session.

8. Training Delivery Procedure

1. Session structure: (a) Recap of previous session (5 min); (b) Core content delivery; (c) Case study/practical illustration; (d) Open Q&A; (e) Key takeaways and closure.
2. Handouts/slides to be shared with participants within 24 hours after each session.
3. Session feedback to be collected at the end of each session;

9. Training Calendar (12 Sessions) in a year

The program is designed for delivery over 7 weeks , at a suggested cadence of 1–2 sessions per week, to allow adequate time for participants to absorb and apply concepts between sessions.

S. No.	Module	Topic	Duration	Skilling & Mentorship Obligation
1	A	Introduction to International Trade & Supply Chain Compliance – Framework, Key Regulators (Customs, DGFT, BIS) and Terminology	Full day	Exim Team in association with external consultants time to time
2	A	Documentation in Import/Export – Commercial Invoice, Packing List, Bill of Lading/Airway Bill, Bill of Entry and Shipping Bill	Full day	Exim Team in association with external consultants time to time
3	A	Customs Classification & Valuation – HSN/CTH Structure, General Rules of Interpretation, Customs Valuation Rules	Full day	Exim Team in association with external consultants time to time
4	B	Customs Duty Structure, Exemption Notifications and Self-Assessment under Section 17 of the Customs Act, 1962	Full day	Exim Team in association with external consultants time to time
5	C	Import Clearance Procedure – End-to-End Walkthrough (Filing, Examination, Assessment, Duty Payment, Out-of-Charge)	Full day	Exim Team in association with external consultants time to time
6	C	Export Procedure & Post-Export Obligations (including EODC, realisation of export proceeds)	Full day	Exim Team in association with external consultants time to time
7	B	Foreign Trade Policy (FTP) & DGFT Framework – Overview and Recent Developments	Full day	Exim Team in association with external consultants time to time
8	C	Advance Authorisation & EPCG Schemes – Eligibility, Application and Redemption	Full day	Exim Team in association with external consultants time to time
9	B	SEZ / EOU / MOOWR – Special Schemes for International Trade and Manufacturing	Full day	Exim Team in association with external consultants time to time

S. No.	Module	Topic	Duration	Skilling & Mentorship Obligation
10	B	BIS / QCO Compliance for Imported Goods – Applicability, Registration and Common Pitfalls	Full day	Exim Team in association with external consultants time to time
11	D	Vendor & Procurement Compliance in Global Supply Chains – Vendor Due Diligence, Contracts and Incoterms	Full day	Exim Team in association with external consultants time to time
12	D	Risk Management, Departmental Audits, Show Cause Notices & Litigation Preparedness – Case Studies	Full day	Exim Team in association with external consultants time to time

10. Document Retention & Review

This SOP shall be reviewed annually, or earlier if there is a material change in customs, FTP/DGFT, BIS/QCO or SEZ/EOU/MOOWR regulations that affects the training curriculum.

TRAINING CONTENT

Modules A, B, C & D – International Supply Chain Compliance Training Program

(Session-wise trainer content, to be read together with the Training Calendar in the SOP)

Note: This document sets out the general regulatory framework and process as commonly understood, for training purposes. Specific notification numbers, scheme rates/thresholds, and form references are subject to periodic amendment – these should be verified against the Foreign Trade Policy, Customs Tariff and applicable notifications/QCOs in force at the time of each session, and updated in the slide/handout material before delivery.

Module A – End-to-End Import/Export Process

Module A lays the foundation for the rest of the program – the trade lifecycle, core documentation, and the classification/valuation principles that recur throughout later modules.

Session 1: Introduction to International Trade & Supply Chain Compliance – Framework, Key Regulators and Terminology

Session 1 | Module A

Learning Objectives

- Understand the basic flow of an international trade transaction – order, shipment, customs clearance, and delivery.
- Identify the key regulatory bodies governing cross-border trade in India.
- Become familiar with common trade terminology and abbreviations used through the program.

Content Outline

- What "international supply chain compliance" means and why it matters commercially and legally.
- Overview of the trade lifecycle: procurement/sourcing, manufacturing, shipping, customs clearance, distribution.
- Key regulators: Customs (CBIC), DGFT, RBI (foreign exchange), BIS, GST authorities, and sector regulators as applicable.
- Core terminology: Importer/Exporter, IEC, HSN/CTH, Bill of Entry, Shipping Bill, Incoterms, Customs Broker/CHA.

Legal / Regulatory Framework

- Customs Act, 1962 – the principal statute governing import/export of goods into and out of India.
- Foreign Trade (Development & Regulation) Act, 1992 – statutory basis for the Foreign Trade Policy and DGFT.

- Brief pointer to the BIS Act, 2016 and SEZ Act, 2005, to be covered in later sessions.

Case Study / Practical Illustration

Participants collectively map a simple import transaction (e.g., import of a machine component) end-to-end, identifying every regulatory touchpoint from purchase order to final delivery at the factory gate.

Key Takeaways

- Trade compliance is multi-regulator by nature – customs, FTP and product-specific regulators (e.g., BIS) often apply simultaneously to a single consignment.
- Non-compliance at any single stage can cause clearance delays, demands, or penalties – the themes explored through the rest of the program.

Session 2: Documentation in Import/Export – Commercial Invoice, Packing List, Bill of Lading/Airway Bill, Bill of Entry and Shipping Bill

Session 2 | Module A

Learning Objectives

- Identify the key documents required for import and export consignments.
- Understand the purpose and essential content of each document.
- Recognise common documentation errors that trigger compliance issues.

Content Outline

- Commercial Invoice – required contents and its central role in customs valuation.
- Packing List – contents and its role in customs examination and stuffing verification.
- Bill of Lading (sea) / Airway Bill (air) – as a document of title and evidence of the contract of carriage.
- Bill of Entry (import) – electronic filing on ICEGATE and the concept of self-assessment.
- Shipping Bill (export) – electronic filing and its linkage to export incentive schemes.
- Supporting documents: Certificate of Origin, insurance documents, and licences/permits where applicable.

Legal / Regulatory Framework

- Section 46 (Bill of Entry) and Section 50 (Shipping Bill) of the Customs Act, 1962.
- Bill of Entry (Electronic Integrated Declaration and Paperless Processing) Regulations, 2018.

Case Study / Practical Illustration

Participants review a sample invoice, packing list and Bill of Lading with deliberately introduced discrepancies (e.g., mismatched quantities/values) and identify the errors before the documents would be flagged at the port.

Key Takeaways

- Consistency across all shipping/customs documents is critical – discrepancies are a common trigger for customs queries.
- The Bill of Entry declaration is a self-assessment; the legal responsibility for its accuracy rests primarily with the importer.

Session 3: Customs Classification & Valuation – HSN/CTH Structure, General Rules of Interpretation, Customs Valuation Rules

Session 3 | Module A

Learning Objectives

- Understand the structure of the Harmonised System (HS) and the Customs Tariff.
- Learn to apply the General Rules of Interpretation (GRI) to classify goods.
- Understand the basic principles of customs valuation.

Content Outline

- Structure of the HSN: Sections, Chapters, Headings, Sub-headings and Tariff Items (2/4/6/8-digit levels).
- Section Notes and Chapter Notes – why they take precedence over the plain reading of a heading.
- General Rules of Interpretation (Rules 1 to 6) – a practical walkthrough with examples.
- The concept of classification by “sole or principal use” for parts and accessories (e.g., Section XVII Note 3 for vehicle parts).
- Customs Valuation – transaction value under Section 14 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

Legal / Regulatory Framework

- Customs Tariff Act, 1975 (First Schedule).
- Section 14 of the Customs Act, 1962 and the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

Case Study / Practical Illustration

Participants classify a sample “part” (e.g., a mounting bracket or a switch assembly) first as a generic article of its material, and then re-classify it applying the relevant Section Note on parts/accessories – illustrating how classification disputes commonly arise in practice.

Key Takeaways

- Mis-classification is one of the most frequent grounds for differential-duty demands in customs audits.
- Section/Chapter Notes must always be checked first – they frequently override the more "obvious" general heading.

Module B – Regulatory Compliance Checkpoints

Module B covers the principal regulatory compliance checkpoints applicable to cross-border trade – customs duty structure, the FTP/DGFT framework, SEZ/EOU/MOOWR schemes, and BIS/QCO requirements.

Session 4: Customs Duty Structure, Exemption Notifications and Self-Assessment under Section 17

Session 4 | Module B

Learning Objectives

- Understand the components that make up total customs duty payable.
- Understand the concept and risks of self-assessment.
- Understand how conditional exemption notifications operate.

Content Outline

- Components of duty: Basic Customs Duty (BCD), Social Welfare Surcharge, IGST, and Compensation Cess (where applicable).
- Self-assessment under Section 17 – the importer's obligation to correctly declare classification, value and exemption claimed.
- Structure of exemption notifications – unconditional vs. conditional/end-use-based exemptions, and the conditions attached (e.g., end-use certificates, actual user conditions).
- Risks of availing an exemption without strictly satisfying its conditions.

Legal / Regulatory Framework

- Section 17 of the Customs Act, 1962 (self-assessment regime, effective 08.04.2011).
- Illustrative structure of conditional exemption notifications issued under Section 25 of the Customs Act, 1962.

Case Study / Practical Illustration

Discussion of a scenario where an incorrect self-assessment (claiming an exemption/classification not strictly applicable) results in a subsequent demand for differential duty, interest under Section 28AA, and penalty under Section 114A.

Key Takeaways

- Self-assessment shifts the primary compliance burden onto the importer – Customs verifies later, typically through audit.
- Every condition attached to an exemption notification must be independently verified and satisfied – partial compliance is not sufficient.

Session 7: Foreign Trade Policy (FTP) & DGFT Framework – Overview and Recent Developments

Session 7 | Module B

Learning Objectives

- Understand the structure and objectives of the Foreign Trade Policy.
- Understand the role of DGFT and its Regional Authorities.
- Gain familiarity with the key schemes available under the FTP.

Content Outline

- Legal basis of the FTP – the Foreign Trade (Development & Regulation) Act, 1992.
- Broad structure of the FTP and the accompanying Handbook of Procedures.
- Importer-Exporter Code (IEC) – registration, updation and linkage to GST/PAN.
- Overview of key schemes: Advance Authorisation, EPCG, Duty Drawback, and export-remission-type schemes (participants to confirm the currently applicable scheme names/rates).
- DGFT's online filing platform and the general process for scheme applications.

Legal / Regulatory Framework

- Foreign Trade (Development & Regulation) Act, 1992 and the Foreign Trade (Regulation) Rules, 1993.
- The Foreign Trade Policy and Handbook of Procedures currently in force (to be verified for the latest amendment at the time of delivery).

Case Study / Practical Illustration

Walkthrough of the practical steps and documentation involved in updating an IEC profile, and the compliance consequences of an outdated/incorrect IEC record.

Key Takeaways

- FTP schemes offer meaningful duty benefits but are conditional on fulfilment of specific obligations (commonly export obligations).
- Non-fulfilment of scheme conditions can trigger recovery proceedings with interest, in addition to loss of the benefit.

Session 9: SEZ / EOU / MOOWR – Special Schemes for International Trade and Manufacturing

Session 9 | Module B

Learning Objectives

- Distinguish between the SEZ, EOU and MOOWR schemes.
- Understand the duty benefits and compliance obligations under each.
- Identify which scheme may suit a given business model.

Content Outline

- SEZ – the concept of a deemed foreign territory for trade purposes, duty-free procurement, and obligations under the SEZ Act/Rules.
- EOU – duty exemption on imports for manufacture, and the Net Foreign Exchange (NFE) obligation.
- MOOWR – manufacture in a customs-bonded warehouse under Section 65 of the Customs Act, with deferred duty on inputs.
- Comparative discussion: duty benefit, GST treatment, compliance/reporting burden, and the exit/de-bonding process for each scheme.

Legal / Regulatory Framework

- SEZ Act, 2005 and SEZ Rules, 2006.
- Foreign Trade Policy – EOU Scheme chapter.
- Section 65 of the Customs Act, 1962 and the Manufacture and Other Operations in Warehouse Regulations, 2019.

Case Study / Practical Illustration

Participants compare the suitability of SEZ vs. MOOWR for a hypothetical electronics assembly unit with a mixed domestic and export sales profile.

Key Takeaways

- The choice of scheme should be driven by the business model – export-oriented operations vs. a mix of domestic and export sales.
- Each scheme carries a distinct and often demanding exit/de-bonding compliance process that should be planned for at the outset.

Session 10: BIS / QCO Compliance for Imported Goods – Applicability, Registration and Common Pitfalls

Session 10 | Module B

Learning Objectives

- Understand when BIS certification/a Quality Control Order (QCO) applies to imported goods.
- Understand the registration routes available.
- Identify common compliance pitfalls in practice.

Content Outline

- What a Quality Control Order is and how products become subject to mandatory BIS certification.
- Certification routes – ISI-mark licensing under the standard scheme vs. the Compulsory Registration Scheme (CRS) for electronics/IT goods.
- Applicability to OEM/spare parts vs. the parent finished product – a frequent area of dispute.
- Linkage to import clearance – declaration of the BIS registration/licence number at the time of filing the Bill of Entry.
- Consequences of non-compliance – restriction on clearance, detention, and risk of confiscation.

Legal / Regulatory Framework

- BIS Act, 2016 and the BIS (Conformity Assessment) Regulations, 2018.
- Relevant sector-specific Quality Control Orders (participants to check the current notified list of products/HSN codes covered, as this list is updated periodically).

Case Study / Practical Illustration

Discussion of a scenario involving import of a spare/component part, where the applicability of BIS/QCO to the component itself (as opposed to the finished equipment it is used in) is in question.

Key Takeaways

- BIS/QCO applicability must be checked product-wise and HSN-wise – it is not sufficient to check only at the level of the finished/parent product.
- Import of goods without the required BIS registration can result in detention or confiscation at the port itself, independent of any duty issue.

Module C – Process-Specific Deep Dives

Module C moves from framework to process – a detailed, step-by-step treatment of import and export clearance, and of the two most commonly used DGFT licensing schemes.

Session 5: Import Clearance Procedure – End-to-End Walkthrough

Session 5 | Module C

Learning Objectives

- Understand the step-by-step process of import clearance.
- Understand the role of the various stakeholders involved (CHA/Customs Broker, Customs, port/terminal).
- Identify the key risk points in the clearance process.

Content Outline

- Advance filing of the Bill of Entry (prior to arrival of goods).

- Risk Management System (RMS) – facilitation, reassessment and examination pathways.
- Assessment (self-assessment / reassessment by the proper officer, where applicable) and duty payment.
- Examination of goods where selected, and grant of Out-of-Charge.
- Post-clearance verification – On-Site Post Clearance Audit (OSPCA) and other departmental audit mechanisms.

Legal / Regulatory Framework

- Sections 17, 46 and 47 of the Customs Act, 1962.
- On-Site Post Clearance Audit framework under Section 99A of the Customs Act, 1962.

Case Study / Practical Illustration

Comparative walkthrough of a consignment cleared through the “facilitated” (green channel) route versus a comparable consignment selected for examination – highlighting where documentation gaps typically surface.

Key Takeaways

- Facilitation under RMS at the time of import does not mean the declaration is beyond scrutiny – post-clearance audit remains a live risk.
- Errors identified during a later audit can result in a Show Cause Notice even though the goods were cleared without objection at the time.

Session 6: Export Procedure & Post-Export Obligations

Session 6 | Module C

Learning Objectives

- Understand the export clearance process.
- Understand post-export compliance requirements, including realisation of proceeds and EODC.
- Understand the linkage between export documentation and FTP scheme benefits.

Content Outline

- Shipping Bill filing and the Let Export Order.
- Role of the Authorised Dealer (AD) Bank and realisation of export proceeds under FEMA.
- Export Obligation Discharge Certificate (EODC) – its relevance for Advance Authorisation/EPCG holders.
- Record-keeping obligations that continue after the goods have been shipped.

Legal / Regulatory Framework

- Section 50 of the Customs Act, 1962.
- Foreign Exchange Management Act, 1999 – timelines for realisation of export proceeds.
- Foreign Trade Policy provisions on EODC and export obligation fulfilment.

Case Study / Practical Illustration

Discussion of how an EPCG Authorisation holder should track and document export obligation fulfilment over the tenure of the Authorisation, to avoid last-minute EODC difficulties.

Key Takeaways

- Export compliance does not end at the point of shipment – realisation of proceeds and EODC filing are equally important.
- Delay or default in EODC filing can independently trigger scheme-related demands, separate from any customs classification/valuation issue.

Session 8: Advance Authorisation & EPCG Schemes – Eligibility, Application and Redemption

Session 8 | Module C

Learning Objectives

- Understand the eligibility criteria and application process for Advance Authorisation.
- Understand the eligibility criteria and application process for EPCG.
- Understand the redemption/EODC process and the consequences of default.

Content Outline

- Advance Authorisation – Standard Input-Output Norms (SION), pre-import vs. post-export conditions, and the actual user condition.
- EPCG – import of capital goods at concessional/nil duty against an export obligation typically linked to the duty saved.
- Application process through the DGFT portal, and Bond/Bank Guarantee requirements.
- Redemption process – documentary requirements and issuance of the EODC.
- Consequences of default – recovery of duty saved with interest, and, where applicable, exposure under the Customs Act.

Legal / Regulatory Framework

- Foreign Trade Policy chapters on Advance Authorisation and EPCG.
- Handbook of Procedures – relevant appendices and forms (participants to refer to the version in force).

Case Study / Practical Illustration

Discussion of a redemption scenario involving a partial export obligation shortfall, and the regularisation/composition options available before recovery proceedings are initiated.

Key Takeaways

- Both schemes require active, ongoing tracking of export obligation timelines – not just a one-time application.
- Regularisation options exist but typically come at a cost; proactive monitoring is preferable to post-default remediation.

Module D – Broader Supply Chain & Risk Management

Module D extends the training beyond pure regulatory compliance into the broader supply chain – vendor and procurement practices – and closes with risk management, audits and SCN preparedness.

Session 11: Vendor & Procurement Compliance in Global Supply Chains – Vendor Due Diligence, Contracts and Incoterms

Session 11 | Module D

Learning Objectives

- Understand key considerations in selecting and onboarding international vendors.
- Understand the role of Incoterms in allocating cost and risk.
- Identify contractual clauses relevant to compliance risk allocation.

Content Outline

- Vendor due diligence – regulatory compliance history, applicable screening checks, and quality/product certifications.
- Overview of Incoterms – EXW, FOB, CIF, DDP and their impact on customs valuation and division of responsibility.
- Key contractual clauses: compliance representations/warranties, indemnity for regulatory non-compliance, and documentation obligations.
- Coordination between procurement, logistics and compliance functions within an organisation.

Legal / Regulatory Framework

- General principles of the Indian Contract Act, as applicable to vendor/supply agreements.
- Incoterms as internationally recognised commercial (non-statutory) trade terms, referenced in customs valuation practice.

Case Study / Practical Illustration

Analysis of how the choice of Incoterm (e.g., FOB vs. CIF) affects the assessable value for customs purposes on an identical shipment.

Key Takeaways

- Procurement decisions – choice of vendor, Incoterm, and contract terms – have direct downstream compliance and cost consequences.
- Cross-functional coordination between procurement and compliance teams materially reduces supply chain risk.

Session 12: Risk Management, Departmental Audits, Show Cause Notices & Litigation Preparedness – Case Studies

Session 12 | Module D

Learning Objectives

- Understand the departmental audit process.
- Understand how to approach a response to a Show Cause Notice.
- Learn practical, ongoing risk-mitigation steps.

Content Outline

- Types of departmental scrutiny – audit (including OSPCA), investigation (e.g., by DRI/SIIB), and post-clearance verification.
- Anatomy of a Show Cause Notice – brief facts, legal provisions invoked (e.g., Sections 28, 111, 114A), and demand computation.
- Key steps in preparing a reply – reviewing Relied Upon Documents (RUDs), verifying facts, examining the classification/valuation basis, and natural justice considerations (including the right to legible copies of relied-upon documents).
- Internal risk-mitigation measures – periodic self-audit, classification reviews, and documentation hygiene.

Legal / Regulatory Framework

- Sections 28, 111 and 114A of the Customs Act, 1962.
- Principles of natural justice as applied in customs/tax adjudication proceedings.

Case Study / Practical Illustration

Discussion of a generalised mis-classification pattern (e.g., in vehicle parts/accessories) and how documentation completeness and access to legible RUDs shapes the quality of the reply – based on general, anonymised patterns rather than any specific client matter, for use in external workshops.

Key Takeaways

- Early identification of audit findings and voluntary, timely compliance materially reduces penalty exposure (including the benefit of reduced penalty for prompt payment).

- A well-prepared SCN reply requires complete, legible copies of all relied-upon documents and a point-by-point rebuttal of each allegation raised.
