विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE

100 FAQs for First-Time Exporters from Tamil Nadu

A Practical Guide to Starting Your Export Journey

Documentation | Compliance | Logistics | Incentives | Global Markets



English FAQ

FOREWORD

Tamil Nadu consistently ranks among India's foremost exporting States, with strong clusters in textiles, leather, automobile components, electronics, engineering goods and marine products. In pursuance of the Tamil Nadu Export Promotion Strategy, which envisages exports of US$150 billion by 2036, the Government of Tamil Nadu remains committed to strengthening the export ecosystem. Accordingly, the Export Cell of Guidance Tamil Nadu, in collaboration with the Directorate General of Foreign Trade and the Industries Department, Government of Tamil Nadu, has brought out this publication.

This publication is intended to serve as a key reference for first-time exporters of the State. It explains, in lucid terms, the procedures for registration, pricing, documentation, logistics, payments, export finance and incentives, and guides entrepreneurs to the appropriate offices and institutions. It is hoped that this publication will enable MSMEs and new entrepreneurs to access global markets successfully. The contributions of all associated with this endeavour are gratefully acknowledged.



Your Export Journey, Simplified

Practical Answers to Your Export Questions

1. Getting started (Q1-12)

Q1. I am starting an export business in Tamil Nadu. What are the first steps?

Set up your business entity, open a current account with a bank authorised to deal in foreign exchange (an AD bank), and get PAN and GST registration. Then obtain your Importer Exporter Code (IEC) from DGFT, register on Udyam if you are an MSME, take an RCMC from your Export Promotion Council, register your bank's AD code at the port on ICEGATE, and file a GST Letter of Undertaking (LUT). After that, pick your product and market and start finding buyers.

Q2. Which form of business should I choose?

Any entity can hold an IEC: proprietorship, partnership, LLP, One Person Company, private or public limited company, trust, HUF or society. A proprietorship is fastest to start. An LLP or private limited company limits your personal liability and is easier for banks to finance. There is no minimum paid-up capital for companies any more, so ignore the Rs 1 lakh figure in older guides.

Q3. What is the IEC and how do I get it?

The IEC is a 10-character code, the same as your PAN, and no goods can be exported without it. Apply online on the DGFT portal (dgft.gov.in) with your PAN, address proof and a cancelled cheque or bank certificate. The fee is Rs 500 and the IEC is usually generated online right away. Service exporters need an IEC only when they claim Foreign Trade Policy (FTP) benefits.

Q4. Does the IEC need to be renewed?

The IEC is valid for life, but you must update or confirm it on the DGFT portal every year between 1 April and 30 June, even if nothing has changed. If you miss the window, the IEC is deactivated from 1 July. Customs clearance stops and banks may hold inward payments until you complete the pending update.

Q5. Which DGFT office covers my district?

DGFT's Zonal Office in Chennai (Shastri Bhavan Annexe, Haddows Road, Nungambakkam) covers Puducherry and all Tamil Nadu districts not under Coimbatore. The Joint DGFT office in Coimbatore (India Life Building, Trichy Road) covers Coimbatore, Nilgiris, Erode, Tiruppur, Salem, Karur, Namakkal, Madurai, Theni, Dindigul, Ramanathapuram, Virudhunagar, Sivaganga, Tirunelveli, Tenkasi, Thoothukudi and Kanyakumari (Appendix 1A, Handbook of Procedures 2023). Most applications are filed online, so you rarely need to visit.

Q6. What is an RCMC and why do I need one?

A Registration-cum-Membership Certificate (RCMC) is issued by the Export Promotion Council (EPC) or Commodity Board for your product. You need it to claim FTP benefits such as Advance Authorisation,

EPCG, status recognition and Export Promotion Mission support. Apply through DGFT's common e-RCMC platform. If no EPC covers your product, or you export many products, take the RCMC from FIEO.

Q7. Which council or board covers my product?

Product (Typical Tamil Nadu Cluster)	Council / Board
Knitwear and garments (Tiruppur, Chennai)	AEPC
Cotton yarn, fabrics, made-ups (Coimbatore, Karur)	TEXPROCIL
Handloom textiles (Karur, Madurai, Kancheepuram)	HEPC (head office in Chennai)
Leather and footwear (Ambur, Vaniyambadi, Ranipet, Chennai)	Council for Leather Exports (head office in Chennai)
Auto components, pumps, machinery (Chennai, Hosur, Coimbatore)	EEPC India
Electronics and mobile phones (Sriperumbudur, Hosur)	ESC
Seafood (Thoothukudi, Nagapattinam, Rameswaram)	MPEDA
Fruits, vegetables, processed food, eggs (Namakkal)	APEDA
Spices, including turmeric (Erode)	Spices Board
Tea (Nilgiris) and coffee	Tea Board / Coffee Board
Coir (Pollachi)	Coir Board
Gems and jewellery (Coimbatore, Chennai)	GJEPC
Chemicals, dyes, plastics, pharma	CHEMEXCIL / PLEXCONCIL / Pharmexcil
Anything else or multi-product	FIEO

Q8. Do I need GST registration and an LUT?

Yes. Exports are zero-rated under GST. You can export under a Letter of Undertaking (Form GST RFD-11) without paying IGST and claim a refund of unused input tax credit, or pay IGST and get it refunded. The LUT is valid for one financial year, so file a fresh one before your first export each April.

Q9. Why should I register on Udyam?

Udyam registration (udyamregistration.gov.in) is free and online. Many export benefits are now MSME-only, including the EPM interest subvention and TRACE certification support, and they need a valid Udyam number alongside your IEC. Tamil Nadu's MSME subsidies also depend on it.

Q10. What is the AD code and why register it at the port?

Your bank issues a 14-digit Authorised Dealer (AD) code for your account. Register it on ICEGATE for every port or ICD you export from. Without it, customs will not process your shipping bill, and drawback, IGST refunds and RoDTEP credits cannot reach you. It also links each shipment to your bank for tracking export receipts.

Q11. Do I need any other licence for my product?
It depends on the product. Food exporters need an FSSAI licence. Drug makers need a drug licence, and seafood exporters must register with MPEDA. Fireworks and other explosives need PESO licences. Dual-use items need a SCOMET authorisation, and wildlife items may need CITES permits.

Q12. Can I export without my own factory?
Yes. A merchant exporter buys from Indian manufacturers and exports under its own name. Merchant exporters can use Advance Authorisation and EPCG when tied to a supporting manufacturer, and the supplier's name is shown on the authorisation. FTP 2023 also allows merchanting trade, where goods move between two foreign countries without touching India.

2.Products, markets and buyers (Q13-24)

Q13. How do I find the right ITC(HS) code for my product?
India uses an 8-digit ITC(HS) code. The first 2 digits are the chapter, 4 the heading, 6 the international sub-heading and 8 the national tariff line. Get it right: RoDTEP rates, drawback, EPM positive lists and FTA duties are all keyed to it. DGFT aligned Schedule II (Export Policy) with the Finance Act 2026 in July 2026, so check the current schedule rather than an old list.

Q14. Can I export any product freely?
Most goods are "Free" to export. "Restricted" goods need a DGFT authorisation, "Prohibited" goods cannot be exported, and STE items go only through designated state trading enterprises. Export policy changes during the year (for example, some wheat varieties were moved from Prohibited to Free in August 2026), so check Schedule II before you sign a contract.

Q15. How do I choose a target market?
Compare demand, import duty, FTA access, competition, freight time and cost, payment risk and compliance rules. Useful tools are DGCI&S and NIRYAT portal data, ITC TradeMap, EPC market reports, Indian Missions abroad and DGFT's Trade Connect portal. Avoid relying on one country: the US is Tamil Nadu's top destination, which left the state exposed to the 2025-26 tariff swings.

Q16. Which trade agreements can I use today?
India's agreements in force include ASEAN, Japan, South Korea, Singapore, Malaysia, Sri Lanka, SAFTA, Mauritius, the UAE CEPA, the Australia ECTA and the EFTA TEPA. The India-UK CETA came into force on 15 July 2026 and gives duty-free UK access to about 99% of Indian exports. The India-EU FTA was concluded on 27 January 2026; signing is targeted for December 2026 and entry into force for early 2027.

Q17. How do I claim the FTA duty benefit for my buyer?
Your product must meet that agreement's rules of origin. You then apply for a preferential Certificate of Origin online on DGFT's common CoO platform, issued by the agency notified for that agreement. Your

buyer presents it at import to pay the lower duty. Keep cost and sourcing records, because origin can be verified later.

Q18. What duty does the US charge on Indian goods now?

US tariffs have changed many times. India faced 50% from 27 August 2025. The 25% Russian-oil penalty was removed on 7 February 2026, and the US Supreme Court struck down the reciprocal tariffs on 20 February 2026. Since 24 July 2026 most Indian goods pay the normal MFN duty plus a 10% Section 301 tariff. Steel and aluminium pay 50% and auto components 25%; smartphones, medicines and energy are exempt. A September 2026 US law allows tariffs of up to 100% on buyers of Russian oil, so check the rate with your buyer before every quote.

Q19. How do I find foreign buyers?

Take part in trade fairs, buyer-seller meets and reverse buyer-seller meets, many of which get EPM Market Access Support. Use EPC member services, Indian Mission commercial wings, B2B platforms, LinkedIn and a good English website with product specs. Respond fast to enquiries and send samples promptly.

Q20. How do I check that a buyer is genuine?

Ask ECGC for a credit report or buyer limit, and seek bank references. Check the company's registration in its home country and its trade history, and confirm through the Indian Mission if in doubt. Start with advance payment or a confirmed Letter of Credit until a track record builds up.

Q21. What are the rules for sending samples and gifts?

Bona fide trade and technical samples of freely exportable items can be sent without any value limit. Samples of restricted items need DGFT permission (ANF-2Q). Gifts, including food items, can be exported up to Rs 5 lakh per licensing year, but not restricted items without an authorisation.

Q22. Does a GI tag help me export?

Yes. A Geographical Indication proves origin and supports a premium price. Tamil Nadu had 76 GI- tagged products as of December 2025, second only to Uttar Pradesh. They include Kancheepuram silk, Madurai malli, Nilgiris tea, Erode turmeric, Thanjavur paintings and Coimbatore wet grinders. To use the tag, register as an authorised user with the GI Registry.

Q23. What is the "Districts as Export Hubs" initiative?

Every Tamil Nadu district has a District Export Promotion Committee (DEPC) chaired by the Collector. Each DEPC prepares a District Export Action Plan listing the district's export products and the gaps to fix. Contact your District Industries Centre (DIC) to join DEPC meetings and raise local issues.

Q24. Can I export services from Tamil Nadu?

Yes. IT, engineering design, healthcare, education and other services from Chennai, Coimbatore and Madurai count as exports. Services are zero-rated under GST with an LUT. From 1 October 2026, service

exports are declared on an Export Declaration Form (EDF), and the payment deadline runs from the invoice date.

3.Pricing, Incoterms and contracts (Q25-33)

Q25. How do I work out an export price?

Build an export costing sheet for each product. Start from ex-factory cost, then add export packing, inland freight to the port or ICD, customs broker and terminal charges, documentation, bank and ECGC charges, and interest for the credit period. Add sea or air freight and insurance if your Incoterm needs them, then your margin. Count expected RoDTEP, drawback and interest subvention as a benefit, but do not price as if they are guaranteed, because rates can change.

Q26. What are Incoterms?

Incoterms 2020 are the ICC's 11 standard trade terms that fix who pays which costs and where risk passes to the buyer. Seven work for any transport mode: EXW, FCA, CPT, CIP, DAP, DPU and DDP. Four are for sea and inland waterway only: FAS, FOB, CFR and CIF. Always write the term with a named place, such as "FOB Chennai Port, Incoterms 2020".

Q27. Which Incoterm should a new exporter use?

FOB or FCA is the safest start: you clear the goods for export and hand them over in India, and the buyer arranges the main freight. Avoid DDP until you know the destination's import duties and taxes, which can change suddenly, as US tariffs did in 2025-26. Under CIF the seller buys only minimum insurance cover (ICC C), while CIP requires wider cover (ICC A).

Q28. FOB or FCA for container shipments?

FCA is usually better for containers. Container cargo is handed over at your factory, a CFS or an ICD (for example, in Tiruppur or Coimbatore), long before it is loaded on the ship. Under FOB you carry the risk until the goods are on board, a stage you do not control.

Q29. Which currency should I invoice in?

You can invoice in any freely convertible currency or in Indian Rupees. Since 20 August 2026, FTP Paras 2.52 and 2.53 let export proceeds realised in INR through permitted banking channels earn FTP benefits and count towards export obligations, at par with foreign currency. Special rules apply to Nepal and Bhutan (INR), Asian Clearing Union countries, and Iran (Para 2.19 of FTP).

Q30. What should my export contract include?

Include product specification and HS code, quantity with tolerance, price with Incoterm and named place, currency and payment terms, delivery schedule, and packing and marking. Add inspection terms, the documents you must provide, insurance, force majeure, the governing law and dispute resolution (arbitration is common). Start with a proforma invoice and get the buyer's purchase order confirming the same terms.

Q31. How do I protect myself from rupee-dollar swings?
Book forward contracts or options with your AD bank against confirmed orders or past performance. Keep price validity short in your quotations. If you also import, match foreign-currency receipts and payments as a natural hedge. Decide your hedging policy in advance instead of reacting to daily rates.

Q32. Can I reduce the invoice value after shipment?
Yes, for genuine reasons such as quality claims, short shipment or disputes. From 1 October 2026 your AD bank can approve the reduction or write-off of export value under the new FEMA regulations, with no percentage caps. Give the original value, the amount received and your supporting documents.

Q33. What is "landed cost" and why do buyers ask for it?
Landed cost is what the buyer pays to get your goods into their warehouse: your price, freight, insurance, import duty and taxes, clearance and inland delivery. Buyers compare suppliers on landed cost, not just your FOB price. FTA duty cuts (such as the UK CETA) or extra tariffs (such as the US Section 301 duty) can decide whether you win the order.

4. Packaging, quality and standards (Q34-43)

Q34. What packaging do export shipments need?
Packaging must protect against breakage, moisture, leakage and pilferage over a long journey, and suit the buyer's handling. Wooden pallets and crates must meet ISPM-15 (heat-treated or fumigated and marked). Follow the buyer's carton, labelling and pallet specs exactly. EU buyers are also tightening recyclability rules under the EU Packaging and Packaging Waste Regulation, which applies in stages from August 2026.

Q35. What should go on labels and shipping marks?
Shipping marks should show the buyer's mark, port of destination, package number, gross and net weight (kg and lb), dimensions, handling symbols and "Made in India". Hazardous goods need UN dangerous-goods labels. Consumer packs must follow the destination's labelling law, such as EU food information rules or US FDA labelling, often in the local language.

Q36. Is pre-shipment inspection compulsory?
Only for products notified under the Export (Quality Control and Inspection) Act, such as certain seafood, egg, dairy and honey exports to specified markets. These are certified by the Export Inspection Council through Export Inspection Agency (EIA) Chennai and its sub-offices. Buyers may also ask for third-party inspection by agencies such as SGS, Bureau Veritas or Intertek.

Q37. How do I get a phytosanitary certificate?
Plant products such as spices, fresh produce, flowers, coir and wood need a phytosanitary certificate from the Plant Quarantine organisation, issued at stations such as Chennai and Thoothukudi. Apply online through the Plant Quarantine Management System. Fumigation, if the importing country asks for it, must be done by an approved agency.

Q38. What about seafood, meat and animal products?

Seafood exporters must register with MPEDA, and processing plants need EIC approval for markets such as the EU. Animal products need health certificates from the Animal Quarantine and Certification Service or EIC, depending on the product and market. Some markets, such as Egypt for meat, also need halal certification under India's i-CAS scheme.

Q39. Is there government help for testing and certification costs?

Yes. TRACE (Trade Regulations, Accreditation and Compliance Enablement) under the Export Promotion Mission reimburses testing, inspection and certification costs needed for market access. After the July 2026 revision, micro and small enterprises can get up to 95% back and medium enterprises up to 80%, capped at Rs 50 lakh per IEC per year, across 462 listed regulations. File an Intent-to-Claim on the DGFT portal before the testing starts.

Q40. What is the EU's CBAM and does it affect me?

The Carbon Border Adjustment Mechanism charges EU importers for the carbon emitted in making certain goods: iron and steel, aluminium, cement, fertilisers, hydrogen and electricity. Its paying phase began on 1 January 2026. If you export steel or aluminium castings, forgings, fasteners or similar goods to the EU, your buyer will ask for verified emissions data from your plant.

Q41. What is the EUDR and does it affect Tamil Nadu?

The EU Deforestation Regulation requires EU buyers to prove that covered goods (cattle, cocoa, coffee, oil palm, rubber, soy, wood and products made from them) were not grown on land deforested after 2020. It applies from 30 December 2026 for large and medium operators and 30 June 2027 for micro and small ones. In Tamil Nadu it matters most for coffee, natural rubber and wooden furniture: keep plot geolocation and supply-chain records ready. A July 2026 EU delegated act moves cattle hides and leather out of scope, which helps the leather clusters, but confirm the final position with CLE.

Q42. Which other foreign standards come up often?

Common ones are CE marking and REACH for the EU, US FDA facility registration for food, US CPSIA for children's products,. Garment buyers often ask for OEKO-TEX, GOTS or social audits such as SEDEX, amfori BSCI or WRAP. BIS certification is generally not needed for exports.

Q43. What sustainability demands do textile and leather buyers make?

Buyers increasingly want proof of fibre and raw-material traceability, safe chemical management (such as ZDHC), carbon footprint data and fair labour. Tiruppur's zero liquid discharge (ZLD) dyeing is a selling point. The US Section 301 tariff on India is tied to forced-labour concerns, so keep clear sourcing and labour records.

5. Documentation and customs (Q44-55)

Q44. Which export documents are mandatory?

FTP 2023 lists three mandatory documents: the bill of lading or airway bill, the commercial invoice cum packing list, and the shipping bill (or bill of export). Other documents depend on the product, market and payment terms.

Q45. What other documents will I commonly need?

Typical extras are the proforma invoice and purchase order, certificate of origin, insurance certificate, inspection or quality certificate, phytosanitary, health or fumigation certificate, and bill of exchange. Under a Letter of Credit you must present exactly the documents the LC lists. For moving goods to the port you also need a GST tax invoice and e-way bill.

Q46. How is the shipping bill filed?

The shipping bill is filed electronically on ICEGATE, by you or your customs broker. Upload supporting documents through e-Sanchit. Customs' risk system decides whether goods are examined; after assessment and any examination, customs gives the Let Export Order (LEO) and the goods can be loaded.

Q47. Do I need a customs broker (CHA)?

No, but most first-time exporters use one. Customs brokers are licensed by the Commissioner of Customs under the Customs Brokers Licensing Regulations, 2018. Check the licence, sign a clear authorisation, and review every declaration they file in your name, because you remain responsible for it.

Q48. Can I correct a shipping bill after filing?

Yes. Before the Let Export Order, the Assistant or Deputy Commissioner (Exports) can allow amendments. After the LEO, amendments need the approval of the Additional or Joint Commissioner in charge of exports, with documents proving the correct facts. Fix errors early, because a wrong shipping bill can block your IGST refund and RoDTEP credit.

Q49. What are the EGM and LEO, and why do they matter?

The LEO is customs' clearance of your goods for export. The Export General Manifest (EGM) is filed by the shipping line or airline after departure. Your IGST refund is processed only when the shipping bill, EGM and GST return (GSTR-1) match, so chase mismatches quickly.

Q50. How do I get a non-preferential certificate of origin?

Apply online on DGFT's common certificate of origin platform. Non-preferential certificates are issued by authorised agencies such as chambers of commerce; in Tamil Nadu these include the Southern India Chamber of Commerce and Industry (SICCI) and the Tamil Nadu Chamber of Commerce and Industry in Madurai. Many buyers and LCs ask for one even where no FTA applies.

Q51. What is AEO status and is it worth getting?
Authorised Economic Operator (AEO) is CBIC's trusted-trader programme. AEO holders get faster clearance, fewer examinations, direct port delivery and entry, and lower bank guarantees, and MSMEs get relaxed criteria. It is worth it once you ship regularly.

Q52. Which ports and airports serve Tamil Nadu exporters?
The major seaports are Chennai Port, Kamarajar Port (Ennore) and V.O. Chidambaranar Port (Thoothukudi), plus the private Kattupalli port near Chennai. VOC Port runs a Tuticorin-Colombo shuttle feeder service, and a Rs 17,167 crore outer harbour container terminal has been cleared for it. Air cargo moves through Chennai, Coimbatore, Tiruchirappalli and Madurai airports, and ICDs and CFSs at Tiruppur, Coimbatore and elsewhere let you clear cargo close to the factory.

Q53. Can containers be sealed at my factory?
Yes. Under CBIC's self-sealing procedure, registered exporters can stuff and seal containers at their premises with RFID e-seals, without a customs officer present. Inform your jurisdictional customs office and follow the procedure for each shipment. It saves time and handling for regular FCL exporters.

Q54. How is duty drawback claimed?
All Industry Rate (AIR) drawback is claimed in the shipping bill itself and is credited to your registered bank account once the EGM is filed. If your actual input duties are much higher than the AIR, you can apply for a Brand Rate with cost data. You cannot claim drawback on the same inputs twice under other schemes.

Q55. How long should I keep export records?
Keep all export documents, bank papers and costing records safely and in order. GST law requires books and records to be kept for 72 months from the due date of the annual return, and FTP, customs and FEMA reviews often go back several years. Store digital copies of every shipping bill, BRC and certificate.

6.Logistics, courier and e-commerce (Q56-63)

Q56. Should I ship FCL, LCL or by air?
Use a full container load (FCL, 20-foot or 40-foot) when you have enough cargo; it is cheaper per unit and safer. Use less-than-container load (LCL), consolidated at a CFS, for small or trial orders. Air suits samples, urgent orders and high-value or perishable goods. Bulk and break-bulk cargo, such as granite, salt or machinery, moves non-containerised.

Q57. What does a freight forwarder do?
A freight forwarder books space with shipping lines or airlines, arranges pick-up, customs clearance, stuffing and documentation, and can consolidate small shipments. If the forwarder issues its own House Bill of Lading, check that it matches your LC terms. Compare forwarders on total landed charges, not just the ocean freight figure.

Q58. How do I export perishables such as jasmine, bananas or seafood?
Use an unbroken cold chain: pre-cooling, pack-houses, reefer trucks and reefer containers or temperature-controlled air cargo. Madurai malli and fresh vegetables usually go by air from Madurai, Tiruchirappalli or Chennai. Book capacity in advance and follow the importing country's residue and plant-health rules.

Q59. Can I export through courier, and is there a value limit?
Yes, and there is no longer a value limit. The Rs 10 lakh per-consignment cap was removed from 1 April 2026 for both e-commerce and other commercial courier exports. CBIC has also brought in a return-to-origin framework and easier re-import of returned or rejected parcels.

Q60. Can I export through India Post?
Yes. Dak Ghar Niryat Kendras (post office export centres) help small exporters, artisans and e-commerce sellers file postal bills of export electronically and book international parcels. Many head post offices in Tamil Nadu provide this service. It is useful for low-weight, high-value items such as handicrafts, silk sarees and jewellery.

Q61. How do I start e-commerce exports?
Sell through global marketplaces (such as Amazon Global Selling, eBay, Etsy or Walmart) or your own website. Register your IEC and GST, list compliant products, and decide between shipping each order or stocking overseas warehouses. EPM Niryat Protsahan offers credit assistance for e-commerce exporters, and FTP 2023 provides for E-Commerce Export Hubs that offer bonded storage and returns handling.

Q62. What is the new inventory-based e-commerce export framework?
Since 5 August 2026, DGFT allows an "Exporter-on-Record" (EOR) to hold inventory of Indian goods purely for export through e-commerce. This includes foreign-funded platforms, under FDI Press Note 3 (2026). The EOR registers with DGFT on form ANF 9A and buys from GST-registered "Sellers-on-Record". For Tamil Nadu MSMEs, this opens a new route: sell to an EOR, which handles the overseas listing, logistics and returns.

Q63. Is there help with logistics and warehousing costs?
Yes. EPM Niryat Disha supports export warehousing, logistics infrastructure and inland transport reimbursement, with special support for interior and low-export districts. The time-bound RELIEF intervention (see Q78) helps exporters hit by freight and insurance costs from the West Asia disruption. Ask your EPC which components are open now, because guidelines are being revised often.

7.Payments, banking and FEMA (Q64-72)

Q64. Which payment terms are safest?
From safest to riskiest for the exporter: full advance payment, confirmed Letter of Credit (LC), unconfirmed LC, documents against payment (D/P), documents against acceptance (D/A),

a ccount. Use advance or LC with new buyers and move to D/P, D/A or open account only with trusted buyers and ECGC cover.

Q65. What should I watch for under a Letter of Credit?

Read the LC the day you receive it and ask for amendments at once if any term cannot be met. Banks pay only against documents that match the LC exactly (UCP 600 rules), and small discrepancies are the most common reason for delayed payment. Present documents well within the LC's validity and presentation period, which is 21 days after shipment unless the LC says otherwise.

Q66. How long do I have to bring export money back to India?

The Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 took effect on 1 October 2026. For goods, you must realise the full value within 9 months from the date of shipment; for services and software, within 9 months from the invoice date. Exports invoiced or settled in Indian Rupees get 12 months. A temporary 15-month window allowed from November 2025 has been withdrawn, so plan for 9 months.

Q67. What if the buyer does not pay on time?

Approach your AD bank before the deadline with reasons and documents and ask for an extension; banks decide under their own board-approved policies. If the money cannot be recovered, the bank can approve a reduction or write-off with no percentage cap. Small amounts (up to Rs 10 lakh) can be closed on a declaration basis. Also file your ECGC claim in time, and remember that GST refunds may have to be paid back if proceeds are never realised.

Q68. What is EDPMS?

The Export Data Processing and Monitoring System is RBI's database that tracks every shipping bill or EDF until payment is realised. Unrealised entries are flagged against your IEC and can lead to caution listing. Reconcile your books with your bank's EDPMS report every quarter.

Q69. What is an e-BRC?

An electronic Bank Realisation Certificate is your bank's confirmation that payment against an export was received. Banks upload it to the DGFT platform, where it is used for FTP benefits, status recognition and GST refund checks. Make sure each remittance is linked to the right shipping bill so the e-BRC is generated correctly.

Q70. Can I set off export receivables against import payments?

Yes. Under Regulation 7 of the 2026 FEMA regulations, your AD bank can allow set-off of export receivables against import payables with the same overseas buyer or supplier, or with its overseas group or associate companies. This now applies across goods and services, within the realisation period.

Q71. Can a third party pay me on behalf of my buyer?
Yes. The 2026 FEMA regulations expressly recognise third-party receipts and payments, subject to AD bank conditions and documentation. Record the arrangement in your contract or invoice and inform your bank before the payment arrives.

Q72. Can I receive payments through PayPal or other online gateways?
Yes, through RBI-authorised Payment Aggregators - Cross Border (PA-CB). They remit the money to your Indian account and provide realisation details for your records and benefit claims. Check the per-transaction limits, charges, and whether they report the payment against your shipping bill in EDPMS.

8.Export finance and insurance (Q73-80)

Q73. What is pre-shipment finance (packing credit)?
Packing credit is a working-capital loan from your bank against a confirmed export order or LC, used to buy raw materials, process and pack goods. Banks usually finance most of the order value and keep a margin, and you repay it from the export proceeds. It is available in rupees, or in foreign currency as PCFC, often at lower rates. The repayment period is fixed by your bank under RBI's export credit directions; a temporary relaxation allowed up to 450 days for credit disbursed until 31 March 2026.

Q74. What is post-shipment finance?
After shipment, your bank can purchase, discount or negotiate your export bills, or give an advance against bills sent on collection, so you are paid before the buyer pays. Export factoring is another option for open-account sales. The advance is closed when the buyer's payment arrives; overdue bills attract a higher rate.

Q75. What is the EPM interest subvention and who gets it?
Under EPM Niryat Protsahan, MSME manufacturer and merchant exporters get 2.75% a year off the interest on rupee pre- and post-shipment export credit. This applies to products on a notified positive list of 6-digit HS lines, for credit sanctioned on or after 2 January 2026. The benefit is capped at Rs 50 lakh per IEC per financial year and is given by your bank upfront. Generate a UIN on the DGFT portal and give it to your bank. The rate is reviewed every March and September, and the rate on your disbursal date applies.

Q76. Can I get export credit without collateral?
Yes, through two routes. EPM's Collateral Support for Export Credit gives lenders a credit guarantee for MSME export loans, with a guarantee cap of Rs 10 crore per exporter. The Credit Guarantee Scheme for Exporters (CGSE) gave a 100% NCGTC guarantee, at no fee, on additional working capital of up to 20% of your export limit (maximum Rs 50 crore), with a 4-year tenor including a 1-year moratorium. CGSE was open until 31 March 2026 or until Rs 20,000 crore of guarantees were issued, so ask your bank whether it is still open.

Q77. How does ECGC protect me?

ECGC's export credit insurance covers you if the buyer fails to pay because of insolvency, default or political events such as war or transfer restrictions in the buyer's country. You can take policies by shipment, turnover or buyer, and ECGC sets a credit limit on each buyer. Banks also get ECGC cover on export loans, which makes it easier for you to borrow.

Q78. What is the RELIEF scheme?

RELIEF (Resilience & Logistics Intervention for Export Facilitation) is a time-bound EPM support of about Rs 47 crore, notified on 19 March 2026. It helps exporters hit by sharp freight rises, higher insurance premiums and war-related risks from the Gulf and West Asia disruption. Egypt and Jordan were added in April 2026, and Component II has been extended to shipments up to 31 March 2027. Claims are processed through ECGC (RELIEF2026@ecgc.in).

Q79. How can EXIM Bank help?

EXIM Bank offers export credit, overseas buyer's credit, Government of India lines of credit to developing countries (where you can invoice in INR), and support for MSMEs entering new markets. It has a regional office in Chennai. It now also administers the EPM interest subvention claims for banks.

Q80. Do I need marine (cargo) insurance?

Yes, someone must insure the cargo. Under CIF and CIP you buy it; under FOB, FCA and CFR the buyer usually does, but consider your own "seller's interest" cover in case of disputes. Institute Cargo Clauses A give the widest cover. Add war and strikes cover for risky routes, such as the Red Sea and Gulf corridors.

9.Incentives and schemes (Q81-92)

Q81. What is the Export Promotion Mission (EPM)?

The EPM is the government's main export support package: Rs 25,060 crore over six financial years from 2025-26. It has two parts. Niryat Protsahan (Rs 10,401 crore) covers finance: interest subvention, collateral support, export factoring, e-commerce credit and support for new markets. Niryat Disha (Rs 14,659 crore) covers market access, compliance (TRACE), branding and packaging, warehousing, logistics and trade intelligence. Apply through the DGFT portal; guidelines for each intervention are issued as DGFT trade notices.

Q82. What support is there for trade fairs and buyer-seller meets?

Market Access Support (MAS) under Niryat Disha replaces the old MAI scheme. It funds buyer-seller meets, reverse buyer-seller meets, trade fairs, exhibitions and related market-access events, usually through EPCs, industry bodies and event organisers. The first guidelines came in January 2026 and were amended in July 2026. Ask your EPC which events it is running with MAS support.

Q83. Is there help for branding and export packaging?

Yes. DGFT launched "Global Outreach for Branding, Labelling and Export Packaging" under Niryat Disha on 14 July 2026. It supports Indian exporters in building brands and meeting overseas labelling and packaging needs. Read Trade Notice 12/2026-27 for eligibility and the application route.

Q84. What is RoDTEP and how long will it last?

RoDTEP refunds central, state and local taxes hidden in your export costs, such as fuel taxes and electricity duty, that are not refunded any other way. Rates and caps for each HS line are in Appendix 4R (4RE for some units); you claim it in the shipping bill and receive transferable e-scrips on ICEGATE to pay customs duty. It is extended up to 31 December 2026 for exports from DTA, Advance Authorisation, SEZ and EOU units, at the rates in force on 30 September 2026. Rates were halved on 23 February 2026 and restored a month later, so treat RoDTEP as a bonus, not a fixed part of your price.

Q85. What is RoSCTL, and who uses it?

RoSCTL (Rebate of State and Central Taxes and Levies) applies to garments and made-ups instead of RoDTEP, which matters greatly for Tiruppur and Karur. It works like RoDTEP, through duty-credit scrips. Its validity has been extended in phases, and the Tiruppur Exporters' Association has asked for a further extension, so confirm the current end date with AEPC or TEXPROCIL before you cost an order.

Q86. How does Advance Authorisation help?

Advance Authorisation (AA) lets you import inputs duty-free if they are physically used in your export product, with minimum 15% value addition. It is issued against Standard Input Output Norms (SION) or your own declared norms. The import validity is 12 months and the export obligation must be met within 18 months. You can also source inputs from Indian suppliers using an Advance Release Order or Invalidation Letter, and exporters with a two-year track record can get an AA for annual requirement.

Q87. What is DFIA?

The Duty Free Import Authorisation is issued after export, for products with notified SION, and exempts only basic customs duty on inputs. It needs at least 20% value addition. DFIA is transferable once the export obligation is complete, so it can be sold for value.

Q88. How does the EPCG scheme work?

EPCG lets you import capital goods (machinery, moulds, dies and the like) at zero customs duty. In return you must export goods worth six times the duty saved within six years. Buying machinery from Indian makers reduces the obligation by 25%, and green-technology exporters get a lower obligation. A Common Service Provider in a Town of Export Excellence or PM MITRA park, such as the one at Virudhunagar, can also use EPCG.

Q89. What is status recognition (Star Export House)?

Status is based on exports in the current and previous three financial years: One Star US$3 million, Two Star US$15 million, Three Star US$50 million, Four Star US$200 million and Five Star US$800 million.

Since 21 August 2026, for One Star (except gems and jewellery) exports in any two of the three preceding years are enough.

Q90. Which Tamil Nadu towns are Towns of Export Excellence?
TEEs in Tamil Nadu include Tiruppur (hosiery), Karur and Madurai (handlooms), Ambur (leather products), Thoothukudi (marine products) and Pollachi (coir). Exporter associations in these towns get priority for market-access support, and common service providers there can use EPCG. The full list is in Appendix 1B of FTP 2023.

Q91. Should I set up in an SEZ or as an EOU?
SEZ and EOU units can import and buy inputs and capital goods without duty, but they must earn positive net foreign exchange and follow stricter customs procedures. Tamil Nadu has many SEZs, including MEPZ in Chennai and electronics and IT SEZs around Sriperumbudur and Hosur. Choose this route if you will export most of your output.

Q92. How fast are GST refunds now?
Faster than before. Since November 2025, eligible low-risk claims for zero-rated exports get a provisional refund of 90% within about 7 days, with the balance after verification. IGST paid on goods is refunded automatically once your shipping bill, EGM and GSTR-1 match. Refunds of unused input tax credit under LUT are filed in Form RFD-01.

10.The Tamil Nadu export ecosystem (Q93-100)

Q93. How big are Tamil Nadu's exports?
Tamil Nadu's merchandise exports rose from US$43.22 billion in 2023-24 to US$51.83 billion in 2024-25 and US$58.95 billion in 2025-26, about 13.4% of India's total. It is India's third-largest exporting state and recorded the fastest growth among states in 2025-26 (13.7%). Kancheepuram is now India's second-largest exporting district, at US$26.4 billion, driven by smartphones and electronics.

Q94. In which sectors does Tamil Nadu lead?
In 2025-26 Tamil Nadu accounted for 41.63% of India's electronics exports, 35.59% of leather and leather products, 33.38% of motor vehicles and cars, 23.13% of textiles and allied products, and 16.66% of engineering goods.

Cluster	Main Export Products
Chennai, Kancheepuram, Sriperumbudur, Hosur	Mobile phones, electronics, cars, auto components
Tiruppur	Cotton knitwear (about Rs 46,000 crore in 2025-26, per the Tiruppur Exporters' Association)
Coimbatore	Pumps, motors, wet grinders, textile machinery, yarn

Cluster	Main Export Products
Karur	Home textiles, made-ups
Ambur, Vaniyambadi, Ranipet	Leather, footwear
Erode, Salem	Turmeric, yarn, fabrics, sago
Sivakasi	Fireworks, printing, safety matches
Thoothukudi, Nagapattinam	Seafood, salt, granite
Namakkal	Eggs, poultry products
Madurai, Dindigul	Jasmine, handlooms, leather
Nilgiris	Tea

Q95. Which Tamil Nadu government agencies help exporters?

Guidance Tamil Nadu is the state's investment and export facilitation agency; its exports page has the TN Export Promotion Strategy and the MSME Exporters Handbook. FaMe TN (the MSME Trade and Investment Promotion Bureau) supports MSME exports and buyer-seller meets. TNAPEx helps food-processing and agri exporters, and TANCOIR helps the coir sector. The Commissionerate of Industries and Commerce runs a District Industries Centre (DIC) in every district for state schemes and subsidies.

Q96. What is the state's export strategy now?

The Tamil Nadu Export Promotion Strategy 2021 set a target of US$100 billion exports by 2030 and created State and District Export Promotion Committees. The 2026-27 Policy Note adds an "Enterprise TN" plan to take five sectors to global markets: textiles, leather, fireworks, auto components and jewellery, using MoUs with multinationals and India's FTAs. The state budget of 5 August 2026 also confirmed a new Industrial Policy covering export promotion, technology and logistics; watch for its details.

Q97. Are there export guidance centres near me?

In 2022 the state announced export guidance centres for MSMEs at Karur, Tiruppur, Madurai, Ambur, Thoothukudi, Pollachi, Kancheepuram, Chennai, Coimbatore and Hosur. Check with your District Industries Centre or FaMe TN which are running now. EPC regional offices, FIEO and chambers in Chennai, Coimbatore, Tiruppur and Madurai also run help desks and training.

Q98. Which industry associations should I join?

Join your product's EPC, plus a local body. Examples are the Tiruppur Exporters' Association (TEA) for knitwear, SIMA for textile mills, CLE for leather, and SICCI, CII, FICCI or the Tamil Nadu Chamber of Commerce for wider issues. Associations relay new DGFT and CBIC notices fast, run buyer meets and take members' problems to government.

Q99. How have US tariffs affected Tamil Nadu, and what should I do?

The US is Tamil Nadu's largest export market, so the 50% US tariff in 2025 hit textiles, leather, seafood and auto parts hard. In October 2025, Tiruppur exporters reported Rs 1,500-2,000 crore of goods stuck in factories, ports and warehouses. Tariffs are lower now (Q18), but the lesson is to spread risk: use the UK CETA, prepare for the EU FTA, and grow sales in the UAE, Australia and other FTA partners.

Q100. Where can I get help and stay updated?

Check DGFT's notifications, public notices and trade notices on dgft.gov.in, and use the DGFT helpdesk (toll-free 1800-111-550) or Niryat Bandhu training sessions. Follow CBIC circulars and ICEGATE advisories for customs, and RBI notifications for FEMA rules. Read your EPC's circulars every week, and attend your District Export Promotion Committee meetings.


GOVERNMENT OF TAMILNADU
TRUTH ALONE TRIUMPHS
सत्यमेव जयते
विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF
FOREIGN TRADE