

DRAFT STUDY MATERIAL



Export Assistant

(Qualification Pack: Ref. Id. AMH/Q1601)

Sector: Apparel, Made-UPS and Home Furnishing

(Grade XI)



PSS CENTRAL INSTITUTE OF VOCATIONAL EDUCATION

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Preface

Vocational Education is a dynamic and evolving field, and ensuring that every student has access to quality learning materials is of paramount importance. The journey of the PSS Central Institute of Vocational Education (PSSCIVE) toward producing comprehensive and inclusive study material is rigorous and time-consuming, requiring thorough research, expert consultation, and publication by the National Council of Educational Research and Training (NCERT). However, the absence of finalized study material should not impede the educational progress of our students. In response to this necessity, we present the draft study material, a provisional yet comprehensive guide, designed to bridge the gap between teaching and learning, until the official version of the study material is made available by the NCERT. The draft study material provides a structured and accessible set of materials for teachers and students to utilize in the interim period. The content is aligned with the prescribed curriculum to ensure that students remain on track with their learning objectives.

The contents of the modules are curated to provide continuity in education and maintain the momentum of teaching-learning in vocational education. It encompasses essential concepts and skills aligned with the curriculum and educational standards. We extend our gratitude to the academicians, vocational educators, subject matter experts, industry experts, academic consultants, and all other people who contributed their expertise and insights to the creation of the draft study material.

Teachers are encouraged to use the draft modules of the study material as a guide and supplement their teaching with additional resources and activities that cater to their students' unique learning styles and needs. Collaboration and feedback are vital; therefore, we welcome suggestions for improvement, especially by the teachers, in improving upon the content of the study material.

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Module 1**Frame Work of Export Marketing Operations****Module Overview**

Advancements in modes of transport is the major reason of growth of export business worldwide. Today it is easier than ever to export merchandise and capture the untapped markets. Moreover, government is also supporting export business with its policies and regulations. Income generated through exports is also a major contributor to country's GDP.

The basic meaning of the term “**Export**” is selling the merchandise out of the country. The seller of such merchandise is known as “**Exporter**” ,whereas, the overseas buyer is known as “**Importer**” for that merchandise. Exporting is a lengthy process and also involves Customs Department too. India has a vast history of exporting merchandise.

Learning Outcomes

After completing this module, you will be able to:

- Concept & Framework of Export Marketing Management
- Identify the roles and responsibilities of an Export Assistant
- Study of export market: product, technology and strategies
- Analyze the export marketing business & the operations involved
- To learn about the conversion of foreign currency

Module Structure

Session-1 Concept and framework of export marketing management

Session-2 Export house and export assistants

Session-3 Study of export market: product, technology and strategies

Session-4 Export marketing and operations

Session-5 Foreign currency management

Session 1: Concept and Framework of Export Marketing Management

GENERAL TERMINOLOGY

Manufacturer / Producer: A Manufacturer is a person or a firm, which manufactures/ produces a product / service to be sold. Example: A shirt manufacturing firm or a cotton producer farmer.

Trade: Trade is an economic activity between people / countries, which may involve buying / selling or exchanging of goods and/or services. As a result of this activity, buyer pays the seller an amount of compensation in lieu of the goods / services received. Trade can happen between:

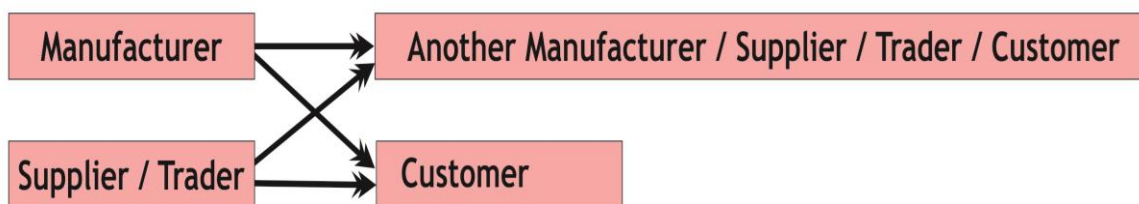


Fig.: 1.1 Trade Process

Domestic Trade: Domestic Trade is an exchange of goods / services within the boundaries of a country. Domestic Trade can be divided into two types:

1. Wholesale: It is buying / selling of goods in bulk quantity. It is generally practiced between Manufacturer and Trader who further supply to retailers.
2. Retail: It is buying and selling of goods and/or services in small quantities. Merchandise/services are sold directly to customers or mostly to consumers.

Customer and Consumer: A customer is a person or a firm which is a buyer of a product / services. However, a Consumer is a person / a firm who is actually consuming the bought goods / services. For example: when a mother buys baby food for her baby, she becomes the customer to a retailer but the actual consumer of that baby food is her baby.

International Trade: International Trade is trading or exchange of capital / goods / service across international territorial boundaries of country. It has

a significant impact on Gross Domestic Product of any country. International Trade can be divided into three types:

1. **Import:** Import means purchase of goods / services from a foreign country. For example, India imports crude oil from UAE and other countries. In the same way, UAE imports apparel related products from India.



Fig.: 1.2 Import Process

Impact of Import on importer and its country:

- a. Foreign Exchange spending
 - b. It fulfils the demand of items not available in domestic market.
 - c. It brings in new technical expertise and advancements.
 - d. Helps in Ent repot.
 - e. Helps in foreign relation building.
2. **Export:** Selling of goods / services to foreign country is called Export. For example, India exports raw materials like oil seeds, dairy products and Iron ore to China.



Fig.: 1.3 Export Process

Impact of Export on exporter and its country:

- a. It earns foreign exchange for the country
- b. Better profit margins could be earned by selling in International Market
- c. It helps in improving and maintaining quality parameters as per demand of International Market.

- d. Exporter gets access to new international markets
 - e. It helps manufacturers to utilize and increase their production capacity to reach economy of scale.
 - f. Exporter may receive tax and trade incentives.
3. **Entrepot:** Buying of goods / services from one country and selling to another is called Entrepot. Goods ,thus, bought are not consumed by first importing country and sold to another country with some value addition. For example:India imports raw rubber from Thailand and after processing, it is exported again to foreign countries like Japan.

Entrepot is also called as Trans-shipment port. It is a facility between the place of origin of the product and the place of final destination of the product. It is a port where merchandise/goods may be imported, stored or traded usually to be exported again.

Trans-shipment ports were introduced in long distance shipments. The cost of shipment was higher and through these entrepots, manufacturers could earn profits sometimes by trading the goods.

Today these ports are called duty-free ports.



Fig.: 1.4 Entrepot Process

Traditional Indian Exports: As per historical evidences, India has been a leading producer and exporter of Spices, Cashew Kernels, Tea, Coffee, Textiles, Rice and Pulses, Jute, Tobacco, Raw Cotton and Leather. The study of exported items over last few decades; prove that share of traditionally exported items have decreased

Current Export Trends: Over and above the traditionally exported items, India is also a leading exporter of handicraft, gems, software, ready-made garments, Iron & manganese ore, chemicals, petroleum products and processed foods.

Handicraft & Textile Export from India:

Handicrafts, Textiles and Apparel products constitute a major portion of the Indian Exports. These items are categorised as “**India- items**” which represent traditional Indian folk products and includes all sorts of Indian garments, clothing, accessories, made-ups, and decorative furnishings. The basic characteristics of **India items** includes features like hand painting,

block printing, embroidery, Applique work, silk/zari/wool work on cotton, woven designs etc.



Fig.: 1.5 Export Handicraft of India

Exempt Visa: To export these items as duty-free or under duty-free category, an Exempt Visa certificate is required to be sent along with the consignment. This certificate can be availed from the office of Development Commissioner (Handicraft) and the textile committee.

Tabular information is provided below for easy reference to prominent items, their major sources and main export markets:

Product Category and items	Major Sources in India	Major Export Market
HANDICRAFTS: Brass items, Stone items, Wooden handicrafts, Costume Jewellery	Moradabad, Hathras, Nageena, Aligarh, Agra, Jaipur, Mumbai, Delhi and Jodhpur	Australia, Canada, France, Italy, Japan, USA, Netherland, Germany, U.K., Saudi Arabia and Switzerland.
LEATHER AND LEATHER PRODUCTS: Leather Garments, Leather Accessories, Shoes and Shoe uppers, Saddleries	Kanpur, Agra, Madras, Calcutta	Germany, U.S.A., Italy, U.K., France and Republic of USSR
SILK PRODUCTS: Silk scarves, Silk dresses, Silk made-ups, Silk fabric	Bangalore, Assam, Banaras, West Bengal, Farukhabad (U.P.)	USA, Germany, UK, Japan, UAE, Italy, Spain, Australia etc.
READYMADE: GARMENTS: Knitted and Non-Knitted items.	Delhi, Mumbai and Tirupur	USA, countries of the EU , Canada, Finland, Norway and Swedan.

Export Regulations in India: In India, International Trade is governed by Directorate General of Foreign Trade (DGFT) which is controlled by Ministry of Commerce and Industry, Government of India. Assistance like Registration of Exporter / Importer, IEC number, Certificate of Origin etc. are provided by DGFT.

The first Export-Import Policy (EXIM Policy) was announced by Indian Government for the period 1992-1997. Through such policies government encourages export business in the country. There are certain benefits provided to the exporters like exemption in income tax, tax exemption in import of raw materials, refund of excise duty under duty drawback scheme, etc.

GENERAL EXPORT PROCESS

Export practices are done in a systematic and organised way and include documentation at each and every step. It may result into high profit margins if conducted with proper care under regulations. And in the same manner, a slight mistake may result into heavy losses too.



Fig.: 1.6 Export

Following is a basic flow chart of Export process. However, it may differ a little from country to country and organization to organization.



Fig.: 1.7 Export Process

Explanation of Export Procedure:

1. **Establishing an Export based organization:** The first step towards export business is establishment of an export oriented firm. The type of firm could be sole proprietorship, partnership or a company, based on the requirements of the Exporter. An attractive trade name and logo may also be registered under The Trade Marks Act, 1999. In India, Trademarks are registered at the Office of the Controller General of Patents, Designs and Trademarks, which is ultimately governed by Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry.
2. **Collecting basic documents:** An exporter needs to collect some basic documents to start with the process of exporting. These documents may include :
 - (a) A bank account on the name of the firm registered, with a bank which is authorized to deal into Foreign Exchange.
 - (b) Permanent Account Number (PAN) is required for every business entity in India. It is required for the purpose of Income Tax.
 - (c) Importer-Exporter Code (IEC) Number is a mandatory document for all import / export business. It can be obtained from the Office of Directorate General of Foreign Exchange (DGFT).
 - (d) Registration cum Membership Certificate (RCMS) is another mandatory document which authorizes an exporter to trade and also helps in availing certain benefits and concessions under Foreign Trade Policy (FTP). RCMS can be availed from Export Promotion Council and other authorities like Commodity Boards etc.
3. **Selection of product:** All items may be exported except those which are listed under the “Prohibited Goods” or “Restricted Category”. The term “Prohibited Goods” has been defined in sub-section 33 of Section 2 of the Customs Act. The items whose import/export has been prohibited cannot be exported/imported at any condition. **Under Export and Import Policy**, laid down by the DGFT, in the Ministry of Commerce, certain goods are placed under restricted categories for import and export. Under section 3 and 5 of the Foreign Trade (Development and Regulation) Act, 1992, the Central Government can make provisions for prohibiting, restricting or otherwise regulating the import of export of the goods. There are other prevailing laws too (such as Environment Protection Act, Wild Life Act, Indian Trade and Merchandise Marks Act, Arms Act, etc.) which may also prohibit sale /export of certain merchandise. Prohibition under those acts will also apply to the penal provisions of the Customs Act, rendering such

goods liable to confiscation under section 111(d) of the Customs Act (for import) and 113 (d) of the Customs Act (for export).

4. **Selection of market:** An international market must be selected for exports on the basis of prior history of exports, market size, demand, competition, quality requirements, payment terms, documentations required etc. Under FTP, there are certain tax benefits available for exporting to certain countries.
5. **Connecting with buyers:** An exporter may reach out to a buyer through trade fairs, buyer seller meets, exhibitions, B2B portals or through web browsing. There are certain agencies like EPC's, Indian Missions abroad, overseas chambers of commerce etc. which also help in bringing buyers and sellers together on the same platform. Once an exporter reaches out to a buyer, he might require to send few samples of the product to confirm the buyer about the quality standards.
6. **Offering Price as per quantity and product quality:** Once the buyer approves product samples, seller may quote his price according to the quantity and quality of product. The final price should be calculated including all sorts of expenses, starting from sampling to realization of export proceeds, as per sale contract i.e. Free on Board (FOB), Cost, Insurance & Freight (CIF), Cost & Freight (C&F), etc. Generally, the aim of calculating export costing is to sell maximum quantity of merchandise at a competitive price with maximum profit margin.
7. **Negotiation with Buyers:** As soon as it is determined that the buyer is interested in the merchandise, and also looking to the future business prospects, exporter may consider buyer's demand of reasonable allowance/discount in price.
8. **Covering risk through ECGC:** Export business involves various types of risks, and one of them is payment related risk, which may arise due to buyer's insolvency. These risks can be covered by an appropriate Insurance Policy from Export Credit Guarantee Corporation Ltd (ECGC). When the foreign country buyer places an order without making any advance payment or opening letter of Credit, it is suggested to get a credit limit on the buyer from ECGC to protect the export deal against risk of non-payment by the buyer.

GENERAL PROCESS OF EXECUTION OF AN EXPORT ORDER

A confirmed order for sale of product from a foreign country buyer is called an export order. Such an export order consists of details like invoice,

quotation number and date, product description, delivery date, shipping instructions, payment terms, and documents required.

A basic flow of exercise for execution of an export order is mentioned below:

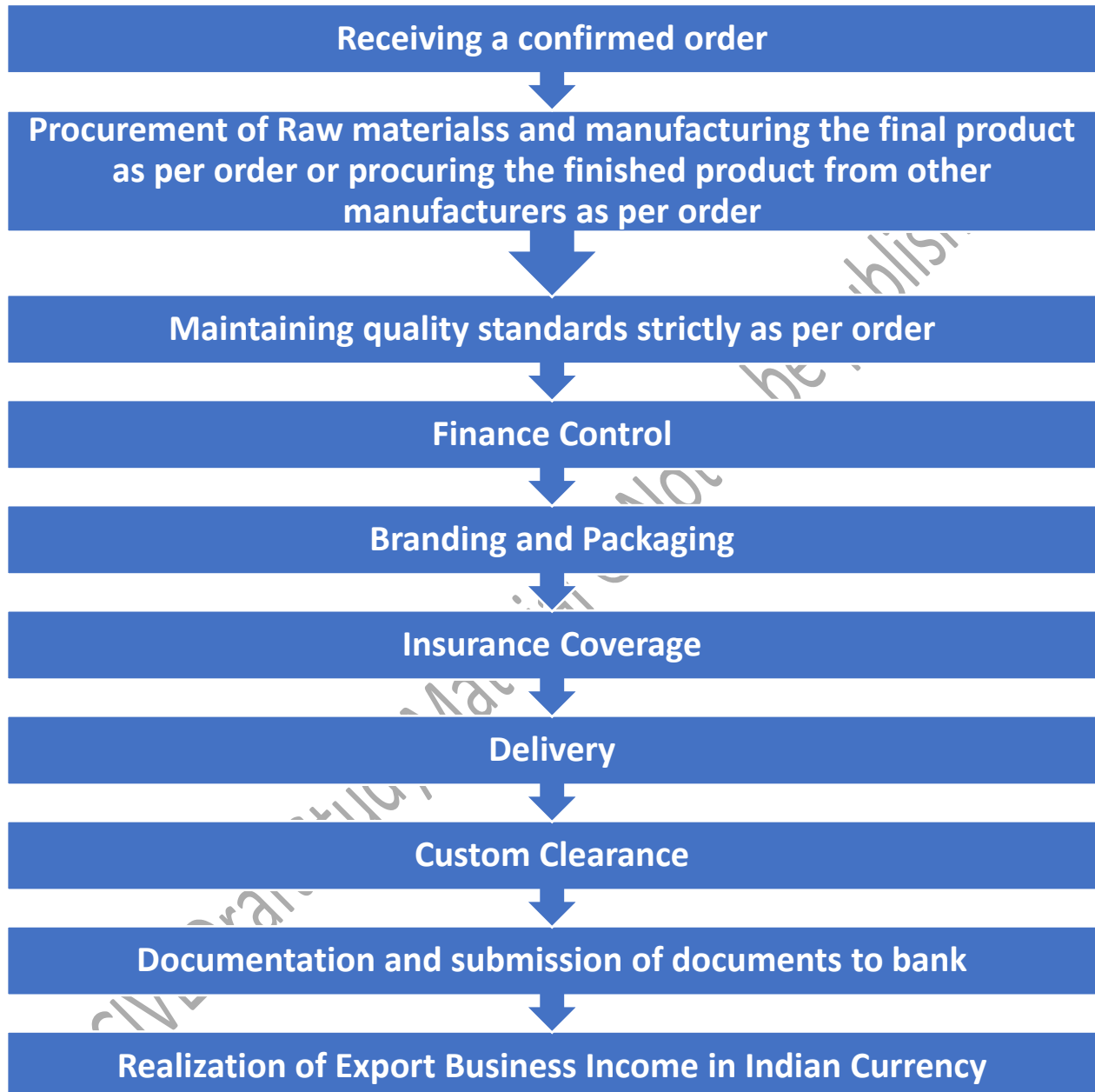


Fig.: 1.8 Process of execution of an export order

1. Receiving a Confirmed order

As soon as a confirmed export sale order is received, first of all, the exporter should convey thanks to the buyer. Then the export order must be checked carefully with respect to number of items/merchandise, item specifications, payment terms, packaging, delivery schedule, etc. as per quotation and then the order should be

confirmed. Having found everything acceptable, the exporter may enter into a formal sale contract with the foreign buyer.

2. Procurement of Raw materials / finished Goods

After confirmation of the export order, immediate steps may be taken for procurement/manufacture of the goods meant for export. An exporter must never forget that the export sale order has been received with enormous efforts in a competitive market, so the procurement (of raw materials / finished goods) should also be done strictly as per buyer's requirement and specifications. In case of any discrepancy with the specifications, the entire consignment may get rejected and the exporter may have to bear huge loss.

3. Quality Control

In today's competitive era, it is important to be quality conscious about the export goods. There is a compulsory pre-shipment inspection process for certain category of merchandise like food and agriculture, fishery, certain chemicals, etc. Foreign buyers may also impress upon their own quality standards/product specifications and may insist the exporter to get the merchandise inspected by buyer's nominated agencies. Maintaining high quality is the key to sustain in export business.

4. Finance Control:

Commercial banks offer both pre-shipment and post-shipment credit finance to Exporters at concessional interest rates, for completing the export transaction. In general, Banks sanction 75 per cent to 90 per cent advances of the export order value. Banks adjust the packing credit advance from the proceeds of export bills.

5. Branding & Packaging

The export merchandise must be labelled and packed strictly as per the buyer's specifications. Good packaging delivers safeguard and presents the goods in attractive way. Similarly, good packing helps in easy handling, maximum loading, reduces shipping costs and to ensuring safety and standard of the cargo. Markings such as address of the buyer, package number, port and place of destination, weight, handling instructions, etc. provides identification and information of consignment packed.

Insurance Coverage

Marine insurance policies cover risks of loss or damage to the goods while the goods are in transit. Generally, in case of a CIF contract, the exporter obtains the insurance, whereas for C&F and FOB contract, the buyers arrange the insurance policy.

6. Delivery

It is an important element of export and the exporter must at any cost, adhere to the delivery schedule. Proper planning of the delivery must be map-out beforehand. Checklists with details of required formalities could be one of the easiest way to map the flow of package delivery. As it will ensure the smooth execution of the plan and will also help to improvise the plan in case of emergencies. In all cases the shipment must be delivered safely and in time.

7. Customs Clearance

The process of customs clearance involves, obtaining a PAN based Business Identification Number (BIN) from the Customs, opening a current account for credit of duty drawback amount and then filling of shipping bills.

Customs House Agents

Customs House Agents are professionals and licensed by the Commissioner of Customs. Their services may be availed to facilitate the work connected with clearance of cargo from customs.

8. Documentation and Submission of documents to Bank

After shipment, it is obligation of the exporter to present the required documents to the Bank within 21 days of shipment, for onward dispatch to the foreign Bank for arranging payment. Documents should be drawn under Collection/Purchase/Negotiation under L/C as the case may be, along with the following documents:

- Bill of Exchange
- Letter of Credit (if shipment is under L/C)
- Invoice
- Packing List
- Airway Bill/Bill of Lading
- Declaration under Foreign Exchange
- Certificate of Origin/GSP
- Inspection Certificate, wherever necessary
- Any other document as required in the L/C or by the buyer or the banks involved.

9. Realization of Export Proceeds

Once the importer receives the documentary bill of exchange, the payments are released. The payments could be done in case of sight drafts or usance draft undertaking to be paid on the maturity of the bill of exchange.

As per Foreign Trade Policy 2015-2020, all export sale contracts and invoices shall be denominated in freely convertible currency of Indian rupees, except for export to Iran. Export proceeds should be realized within 9 months.

Concept of Export Marketing Management

Definition of Export Marketing:

Export Marketing is the practice of selling goods / services across national borders. Goods are produced / procured by the Exporter firm within the home country and then sold to buyers at international locations.

Requirement of Export Marketing:

Buyers at international locations may not be so interested in an Exporter's product like domestic buyers. Additionally, there are few communication barriers like Cultural differences, shipping costs and transit time, politics, and international trade policies which create gap between buyers and sellers. An export marketer needs to know the buying behaviour, interests and exact need of the offshore client. For this he needs to formulate a specific strategy to make product available and enticing to the offshore client.

Advantages of Export Marketing

- An exporter may expand his market beyond national borders. It also makes him less dependent on National market and its fluctuations.
- Greater the production, larger will be the economies of scale, which will lead to better margins.
- Developing product for newer markets will help an exporter to expand his product range.
- Export helps in compensating foreign exchange which in turn is required for import of raw materials.
- Exports solve the trade balance issues. Trade and balance of payments deficits can be controlled through large-scale exports.
- Export businesses creates more job opportunities over and above the existing workforce.
- A production house with larger production capacity may attain its optimal use of resources by increasing its production for additional export demands.

Disadvantages of exporting

- Export business being document oriented, may consume an exporter's full attention. This may make the exporter loose his focus on domestic markets and existing customers.
- Dealing with export regulations may increase an exporter's administrative cost.
- Exporter may find it difficult to manage remote relationships and reduce communication gap with buyers located across national borders, especially where the infrastructure is poor.
- Situations may go beyond control across national borders and handling and recovering can be challenging sometimes.

Activities

Activity 1

Prepare a chart of 20 major items being exported from India and locate their major sources on the map of India.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser
- 5-Map of India

Procedure :

- 1- Prepare a list of 20 items being exported from India
- 2- Prepare a list of sources of these 20 items
- 3- Prepare a map of India
- 4- Locate the city of origin / source city of that merchandise on the map.

Activity 2

Visit a garment export house and prepare a pictorial report on their export process.

Materials Required:

- 1- Practical File

- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure :

- 1- Collect pictures of various departments of an export house.
- 2- Place the pictures in the practical file and label the same.
- 3- Write the description of each department and make a report.

Check Your Progress**A. Fill in the blanks –**

1.is the selling of goods and services across national borders.
2. obtained by an exporter or importer, to protect themselves against the risk of loss or damage to merchandise in transit.
3. is required for every business entity in India, for the purpose of Income Tax.
4. Any goods, the import or export of which, is subject to any restriction / prohibition are called.....

B. Write short answers for the following –

1. What do you mean by export marketing management?
2. Write short notes on Export Business in India.

C. Write long answers for the following-

1. Explain the general Export Process along with flow chart.
2. Explain about advantages and disadvantages of Export Marketing

Session 2: Export House and Export Assistants

General Organization Structure of an Export House

An Export House is a firm dealing in export business; with either having its own manufacturing unit or depending on procurement of goods to be exported.

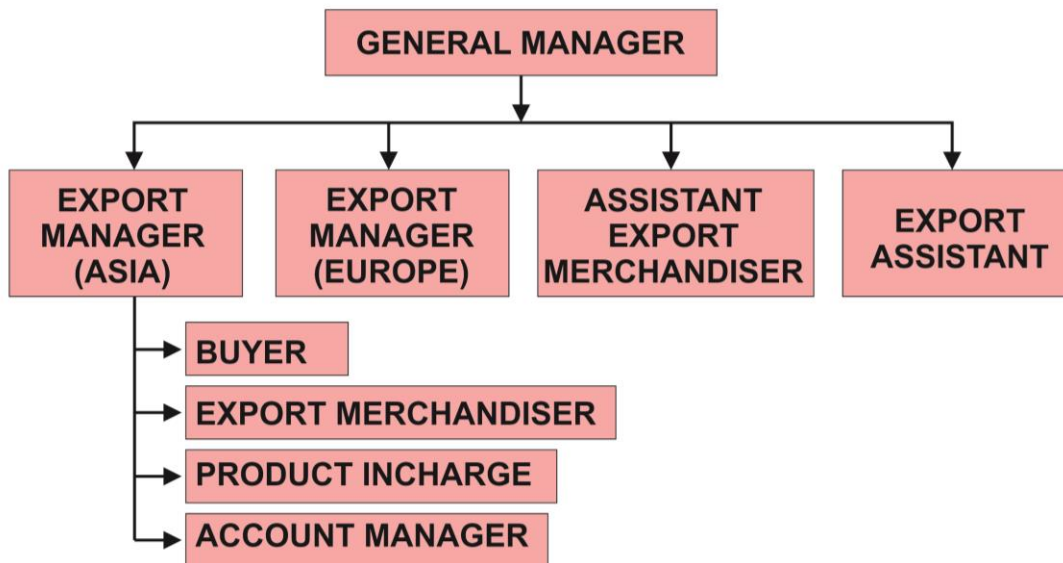


Fig.: 1.9 Structure of an Export House

A flow chart of general Organization Structure of an Export House is shown in above image.

However, the exact number of positions and variation in positions of employees of an export house may vary from organization

Various Job Roles and Explanation:

GM (Export and Sales): An Export house is generally headed by a General Manager (Export and Sales) who is the ultimate responsible person for the organization's growth, profit and losses.

Export Manager: An Export Manager is the person responsible for Exports to a particular client (International buyer), in case the buyer is very prominent and dealings with him continue round the year. Otherwise, he may be responsible for a bunch of clients, generally ,belonging to same area of continent or different buyers dealing into same product category.

Assistant Export Manager: His responsibility is to deal with independent buyers, their requirements, progress on their independent orders, day-to-day follow-ups regarding procurement and supplies, regular communication with

the buyer's assistants, documentations and all other related work to support his seniors and Export Merchandisers.

Export Assistant: He is a person who is junior most in the hierarchy and is primarily responsible to support his seniors and Export Merchandisers in day-to-day activities of the department. He is required to understand all the processes and procedures of an export house and if manufacturing unit is also linked, he needs to have a general understanding of garment manufacturing process too.



Fig.: 1.10 Export Assistant

However if the Export house is also owns a manufacturing unit, then the combined structure would be vast as below:



Fig.: 1.11 Different departments of garment export house

General Process of Garment Manufacturing:

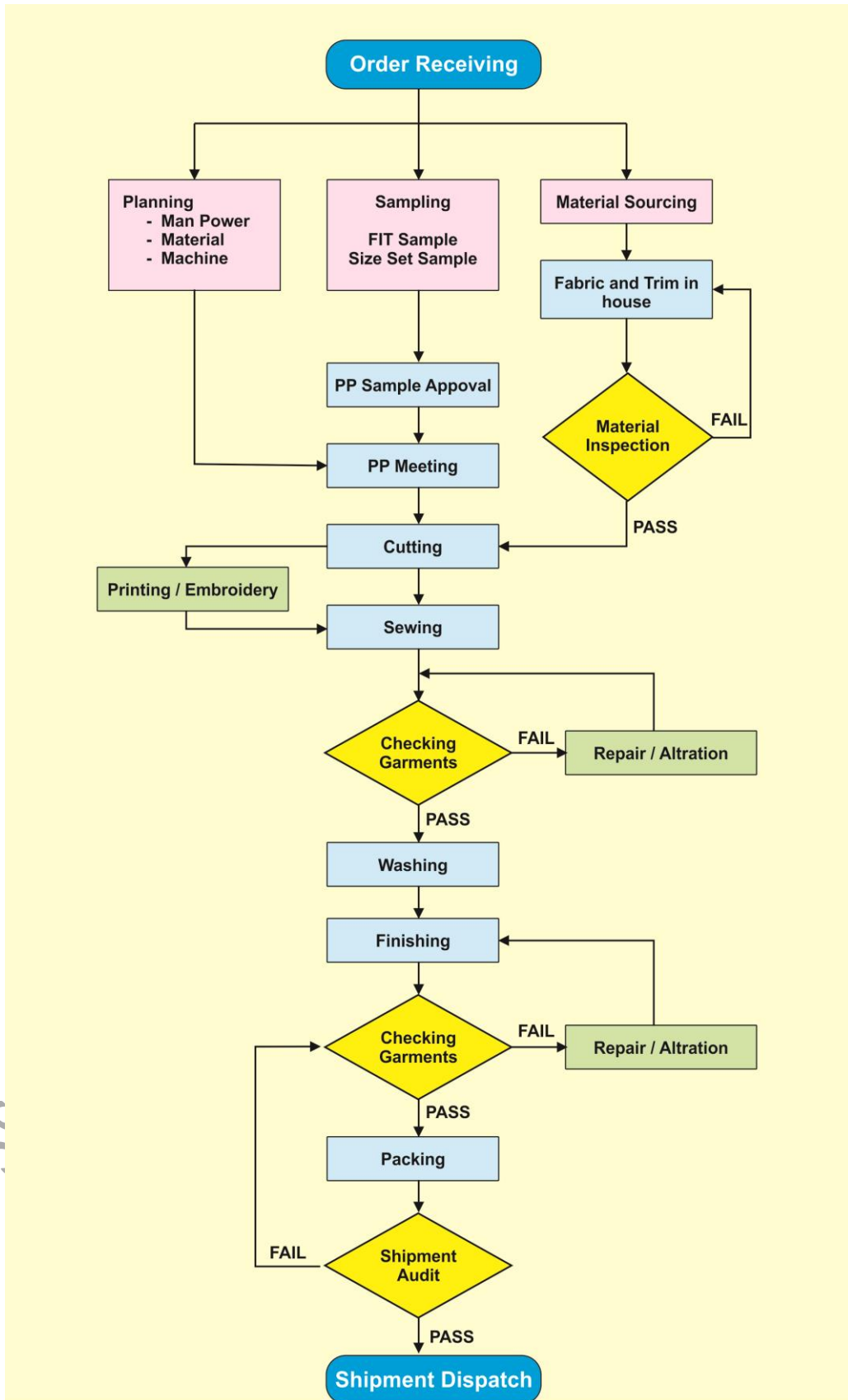


Fig.: 1.12 Process of Garment Manufacturing

Role and Responsibilities of Export Assistant

1. Role of export assistant:

Export assistant send oversees information for worldwide shipments and offer help for some means of the transportation procedure. They work with import/export officers, distribution centrestaff, shipping organizations, and customers. Representatives help with delivery, accepting, and record keeping for worldwide exchanges. A large portion of their working day is spent in an office environment as they confirm that all documentation clings to import-send out strategies and laws. Section level positions are accessible to those with secondary school recognition, in spite of the fact that candidates with universal exchange experience are commonly preferred by bosses.

2. Job Duties

At each point in the shipping process, an export assistant is responsible for a number of duties. They track shipments and inform customers regarding progress of the package. For clearance of overseas imports, they arrange shipment with customs agents. Clerks also manage quotations from prospective shippers and file claims for insurance companies where there are shipping issues.

The main task of an export agent is to provide efficient logistics of delivery via data management. They complete export documents, compile transporter and route assignments, charge for each shipment international fees and track shipment payments and quotes.

A fare right hand has a wide scope of obligations that manage each progression of the delivery procedure. They track shipments and speak with customers about the bundle's advancement. They organize shipping of merchandise in accordance with import/export guidelines.

An export assistant's primary company shall have professional managemento f transport by giving details to the board. This completes exportpapers, gathe rs assignments to bearers and classes, deals with international shipping cha rges and monitors shipments

3. Responsibilities:

For the organization's global improvement, the export assistant is responsible for placing key choices into training and for planning general activities between the various elements of the firm or potentially external associates. He or she analyses and passes the information which enables the organization to take action for advancements in its condition.

As a young export assistant he or she:

- gathers a wide range of data from abroad markets and advises the data framework to help in decision making.
- searches for and recognizes buyers/enterprises abroad
- gets ready, conveys and keeps an eye on the follow-up of trade

-completes these errands with benefit, quality and consumer loyalty goals in mind.

His/her effectiveness is connected to skill in data and correspondence innovation, practice of a few unknown dialects and intercultural receptiveness. Following a period of adjustment to the organization and its culture, their approach to the procedures and practice of universal exchange and his abilities will mean a quick advancement to the posts of international salesman or international purchaser.

One of the main responsibilities of export assistant includes assisting export manager in following:

- Preparation and planning of shipping and shipping documentation.
- To schedule inspection of ships, export documentation contracts, and communicate
- Export shipments should be handled quickly, including business desks and freight systems, freight dispatcher, dealer, warehouse and customer services.
- Must ensure a prompt export shipment management method.
- To document accounts payable and receivable
- Plan and present export documents required for each country, in compliance with the export rules and regulations of the respective country to ensure that payments are made for ship transactions and received on time.
- Provision to freight forwarders and contractual instructions.
- Continue planning and market analysis
- Continue the preparation and stipulation of contract applications
- Provide instructions for loading of merchandise.
- Cross-section assistance in international business transactions

Qualities of Export Assistant

An export assistant should have following desired qualities:

a) **Understanding the activities and processes of export marketing:**

Exporting is a mechanism that requires planning. There is a need for simple and oriented targets and exporters need to be realistic about what can be accomplished within a defined time scale. International Trade Teams will assist businesses in designing a tailor-made action plan that lays out a workable strategy to expand into foreign trade, with frequent checks to ensure that they are on track.

b) Knowledge of how to organize the exchange of goods in international trade:

Maintain complete record of the shipments for export; a keep track of Team for International Sales, identify who's in charge of documents for export, and Audit Compliance Export attempts.

c) Knowledge of how to correspond with buyers/customers/suppliers worldwide:

Export assistant should understand the basics as they function each time. To put the client at ease, one should have a warm, friendly impression; should keep examples of emails or letters that make a good impression on the person; should work to create their own style. Correspondence should be brief and clear, and follow-up within the next seven days, preferably by phone. He / she should learn how to hold meetings in markets.

d) Knowledge on how to manage the shipment checklist report on timely basis and knowledge of Indian and foreign trade policies:

Export assistant should have the understanding of export check list and ability to keep all documents of shipment in order:

- i. Performa Invoice
- ii. Commercial Invoice
- iii. Packing List
- iv. Certification of Origin
- v. Shipper's Letter of Instruction
- vi. Billing of Landing: Inland bill of landing; Ocean bill of landing; Airway bill of landing
- vii. Dangerous Goods Forms
- viii. Bank Draft

Additional qualities:

- Accuracy in work
- Attention to detail
- Ability to follow detailed instructions
- Decision-making skills
- Planning and organizing skills

- Analytical thinking
- Team spirit
- Observational skills

Activities

Activity 1

Visit to a Garment Production and Export Unit and prepare a pictorial report on Garment Manufacturing Process.

Materials Required:

1. Practical File
2. Coloured pens and pencils
3. Ruler
4. Eraser

Procedure :

- 1- Collect pictures of various departments of a production unit.
- 2- Place the pictures in the practical file and label the same.
- 3- Write the description of each step and make a report.

Activity 2

Prepare a tree diagram of roles and responsibilities of an export assistant and add it to your practical file.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure:

1. Students may seek information online.

2. Students may contact various representatives of export houses or visit an Export House and contact an Export Assistant.
3. Write about the various roles and responsibilities of an export assistant.
4. Prepare a separate list of roles and responsibilities of an Export Assistant and include it in your file.

Check Your Progress

A. Fill in the blanks –

1. At each point in the shipping process, an _____ is responsible for a number of duties.
2. A responsibility of export assistant includes assisting _____
3. An Export assistant should have the understanding of export check list and ability to keep all _____ of shipment in order.
4. An Export Assistant should have a general understanding of all the activities and process of _____ Marketing.

B. Write short answers for the following –

1. What is the role of an export assistant in export process?
2. Describe any four responsibilities of export assistant.

C. Write long answers for the following:

1. Explain the organizational structure of an Export House. And also explain the various job roles in it.

Session 3: Study of Export Market: Product, Technology and Strategies

An exporter may want to sell all kinds of products and sell them all over the world. However, it is not possible to do so due to the large extent and variations in demand in different markets around the world. Therefore, an exporter must select appropriate products and markets to operate internationally.

i) Selection of Export Market:

Market selection plays a crucial role internationally. The selection of markets is based on an in-depth evaluation of various different markets with reference to a well-defined criteria, taking into account the resources and objectives of the company.

Following are the steps in the market selection process:

(a) International Marketing Objectives: The first step in the process of market selection is to determine the export marketing objectives of the organization. The market selected to serve a particular international marketing objective does not necessarily have to be the most suitable for achieving another international marketing objective.

(b) Selection parameters: For an adequate evaluation and selection of market, it is essential to define the evaluation parameters and criteria. The different parameters for selecting a market are the company's resources, the international environment, the market situation, the nature of competition, government policy, etc.

(c) Preliminary examination: The primary objective of the preliminary examination is to eliminate contracts that are not potential. The parameters used for the preliminary selection may vary from one product to another. However, parameters such as population size, per capita income, structure of the economy, infrastructure factors, and political conditions, are commonly used.

(d) Short listing of markets: Even after the preliminary selection, a large number of markets get shortlisted. The exporter shortlists countries on the basis of detailed investigation for export. The main objective of short listing is

to make a list of countries which are likely to become potential market to the exporter.

(e) Evaluation and selection: The shortlisted markets are then evaluated on the basis of cost-benefit analysis and feasibility. Among all the markets studied, the best one is chosen for the product launch, taking into account the company's resources and the external environment.

(f) Marketing test: The initial market testing is conducted in smaller scale by launching the product in only a few parts of the market. This provides the producer with information about the market. At the same time, it helps the manufacturer/exporter to evaluate the general response of consumers in a specific market; after proven success, production can be started on a large scale.

(g) Commercial production: Once the product has been tested in the selected market, the company go for the mass production. Minor changes, if any, are made to the product line during this step.

ii) Selection of export products:

An exporter should consider the following factors while selecting products for the export market:

(a) Export trends: An exporter must analyze the export trends of different items to correctly select the product. This information can be collected from the following sources:

- Monthly Foreign Trade Statistics of India.
- Bulletins of the Export Promotion Council (EPC).
- Journals like “Export import times”.

The final selection of the product, however, depends on one's own skill and experience with the product.

(b) Supply base: It is necessary to analyze the supply base of the product in the domestic market, along with the demand for products in the international market. Seasonal products such as onions, fruits or even sugar, wheat or rice have not proven to be good products for continual export. Many times, manufactured goods may not have a good supply base due to factors such as strike, power shortage, blockages, transportation problems, etc.

(c) Production capacity and product availability: An exporting manufacturer must take into account its production capacity and availability

of the selected product for export before entering into an export business. If production capacity is limited, the exporter must focus on smaller markets but if the product can be easily provided, a sustained export campaign is worthwhile.

(d) Product adaptability: Buyers requirements / needs differ from market to market and from country to country. What sells well in one market may not sell at all in another. This requires adaptability of the product and Product adaptability requires a large investment to adjust the production process, according to the needs of different markets.

(e) Service facilities: If the export product is such that it requires after-sales maintenance, the exporter must ensure that it can use these facilities for foreign buyers. It is not easy to open service centres abroad. At the same time, it is also difficult to find a dealer or agent with service facilities. If exporter cannot provide service facilities, then he should not export such products.

(f) Target markets: The selection of a product also depends on the markets that have been identified for foreign sales. Not all products can have equally good markets. Therefore, product selection depends on the market requirements. For starters, it's always best to focus on at least one or two markets. Target markets should be closely studied with respect to market requirements in terms of product specification, continuity of demand, credit requirement, etc.

(g) Stability of demand: Selected product's demand for sale abroad or in the domestic market should not only be stable but also growing. Products that depend on fashion trends, while comparatively more profitable, may not always be good for exporters who cannot cope with such trends. Therefore, the exporter must select those products that offer a large and stable market.

(h) Trade restrictions: when selecting products for export, care must be taken to ensure that these products are not subjected to export or import control regulations from the country. Therefore, the exporter should try to avoid the export of these products.

(i) Profitability: Profitability is the main objective of all marketing activities. The product selected for export must be profitable to the exporter. It should result from the sale price itself. Although tax refunds, excise duty refunds etc., are taken into account when calculating the export price.

iii) Impact of Technology and Internet Marketing

For a company, the desire to exit the highly competitive domestic market, to match or outperform from competitors, improved business opportunities and financial conditions are the sources of motivation to expand business across border. Commitment, international attitude, perception and knowledge of international issues, the risks involved and the opportunities present in external markets have turned out to be the most important factors that influence the entry of a company into the international market. Studies have also shown that technological activities are an important factor in the export performance of firms in developing countries. To better assist companies in their internationalization efforts, various technological development and promotion programmes have been launched to stimulate economic growth.

iv) Export Market Entry Strategies:

Market entry is distribution of merchandise to a new target market. A target market is a flexible concept and depends on, factors like demographics or customer needs. A market is a place of competition. A market is often a country but can also be a city, region or channel. A market entry strategy is a plan of distributing products and services to a newer market. This leads to increased revenue, but is also associated with a range of competitive and financial risks, which may arise due to factors such as barriers to entry, taxes, and exchange rates. Examples of export market entry strategies are given below:

(a) Direct export

Directly export products and services to new regions and countries. For example, any retail e-commerce site starting shipping to Europe.

(b) Retail partners

Find local business partners to sell your products in new markets. For example, an Indian luxury bag company partners with a Japanese department store to reach customers in Japan.

(c) E-commerce partners

Sell to e-commerce platforms. For example, a craftsman in the UK who is an e-commerce seller in Japan to a customer specializing in imported British goods.

(d) Wholesale partners

Export products to a wholesaler in a new market. It only works if there is demand for e-commerce, retail, and vendor products.

(e) Value Added Reseller

Sell your products and services to a partner who will integrate them into their products. For example: a button manufacturer that sells to a shirt manufacturer in China.

(f) Reseller

A reseller is a partner; who is reselling the products or services in a new market without adding much value to it. For example, a consulting company in Germany that sells subscriptions to an Indian software service.

(g) Sales outsourcing

It means hiring of a third party, to sell our products and services in a new market. For example: opening a sales office in Singapore that is wholly owned and operated by a subcontractor.

(h) Joint marketing

Sell through a channel partner, such as a retailer, e-commerce company, or wholesaler with a marketing support agreement.

(i) Licensing

An enterprise may license its intellectual property such as trademarks and copyrights. For example, an Italian shoe brand license an Indian factory to manufacture shoes for that Italian brand.

Franchising

Provide everything necessary to operate a location or territory of your business to a third party. For example, an Indian clothing store that starts offering franchises in America. It can be complex and requires a supply chain and training in the local language.

(j) Expansion

Extending your distribution channel to new regions, new cities or within the same countries where you are already operating. For example, a clothing store who opens a new location in another city.

(k) International expansion

It is opening of an office, warehouse, retail store or product showroom in a foreign country with an aim of distributing the products. It may also represent a permanent establishment in that country and has various tax implications and regulations.

Advantage of entering the international market

One of the major benefits of entering the International market is to access more customers and higher income. Entering a new market diversifies income and reduces risk.

For example: a clothing store owner in a city faces risks related to local competition and economic conditions. If the city experiences an economic recession, revenues may fall. By opening the store in other cities also, it is less exposed to local risks.

Disadvantages of entering the market

Market entry is often not successful due to competition from local companies that know the culture and behaviour of customers compared to external companies. Failed market entry can be costly and damage brand image. International markets present political, tax, compliance, regulatory and exchange rate risks.

Promotional Strategies

The set of marketing tools that a business uses to pursue its marketing objectives in a target market is called a "marketing mix".

4P's of Marketing Mix

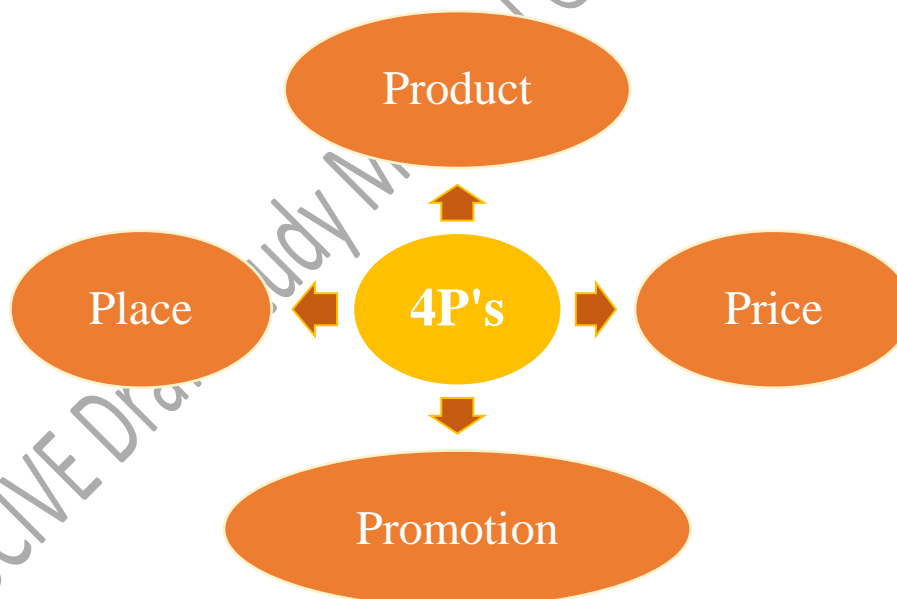


Fig.: 1.13 4P's of Marketing Mix

The 4P's together make up marketing mix, these include-

- **Product**

The product mix comprises of all the aspects of product that a manufacturer/exporter plans to offer to the buyer.

- **Price**

The price mix includes the monetary aspects of the product i.e. cost of setting up firm, operating cost of firm, cost of produced etc.

- **Place**

The place mix refers to the point of sale. It includes the location demographics where the firm plans to place itself so as to attract buyers or to make their transport handling cost minimum.

- **Promotion**

Promotion mix refers to all the activities that a firm undertakes in order to promote and finally sell their products to the targeted market/ audience.

Marketing strategies are formulated with the marketing mix in mind. Some of the marketing strategies that can be applied to clothing exports from India are discussed below: -

1. Product differentiation

Products can be differentiated based on price or quality. The emphasis should be on making clothing affordable, but it doesn't create a poor-quality brand reputation. The product differentiation strategy for countries where price is not a constraint can be based on high quality because people do not care about price and they can spend more. Product can be kept in short supply, so that only small quantity of each design at each store / point of sale is available.

2. Product Diversification

In product diversification offering for all seasons can be considered rather than focusing on few or one particular season.

3. Brand

Indian exporters should explore the most value-added marketing element, that is "brand". Global selling and retail branding allow better brand value. Most of the Indian exporters do not offer their own brands, they only manufacture for buyers from other countries.

4. Differentiation of images:

The branding process is a way to build the image of the company. The image of a company can be described as the general perception of the company. A strong brand gives the product an identity, which is very important in the

clothing industry. Brand loyalty can increase product prices in the long term by 20-25per cent. Advertising is another important marketing activity for the image of the company.

5. Channel differentiation

Channel differentiation means that companies can gain a competitive advantage through designing their distribution channels. For a clothing company, the question is whether the products are mass-manufactured or customized, whether the stores are in all cities or only in the major cities, whether the products are available online, and the location of the store. The in-store clothing industry is expanding internationally. The global expansion of Indian clothing exporters must position themselves with the image of offering high-quality clothing at low prices. They must create a competitive advantage through their distribution channels. There are different types of channels of distribution like: Canalizing agencies, Export consortia, Merchant exporters, Export houses, overseas sales agents, direct exporting channels, Indirect exporting channels etc. The company must offer the latest trends in a short time at an affordable price for a large group of customers. The low price and high-quality strategy is the one desired by most companies in the same sector.

Most of the Indian clothing exporters have no control over distribution channels. This can only be achieved with higher levels of internationalization and when Indian exporters enter an era of direct marketing channels.

Besides the above stated export marketing strategies, some other aspects related to marketing which may also require an exporter's attention, are given below:

- International marketing research
- Understanding of channels
- Competent sales negotiations and
- Consistent performance

The strategies mentioned above are very few and should be modified according to the needs of the specific buyer country. Furthermore, the global economic scenario and the strategies of competitors must also be taken into account when formulating the strategy.

Activities

Activity 1

Conduct a market survey and identify the prominent goods being exported from India and the countries where these products are being exported to.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure:

- 1- Conduct a primary research and prepare a list of items exported from India.
- 2- Prepare a list of countries where these items are exported.
- 3- Add this information to your practical file.

Check Your Progress**A. Fill in the blanks –**

1. An exporter must select the appropriate products and the appropriate markets to operate _____.
2. The main benefit of entering the International market is to access more customers and higher _____.
3. Failed market entry can be costly and damage _____ image.
4. The set of marketing tools that a business uses to pursue its marketing objectives in a target market is called a "_____ mix".

B. Write short answers for the following –

1. State few factors to be considered while selecting the export market.
2. State few factors to be considered while selecting the product to be exported.

C. Write long answers for the following:

1. Write about impact of technology and internet in export business.
2. Explain promotional strategies as a Marketing tool.

Session 4: Export marketing and Operations Export

Marketing Terminologies

Air way Bill (AWB):

An Air way Bill is a document sent along with the goods shipped. It is similar to a courier receipt which is provided by the carrier (airline / ship) to all the concerned parties. It may contain detailed information about the shipment like shipper's name and address, consignee's name and address, three-letter origin airport code, three letter destination airport code, declared shipment value for customs, number of pieces, gross weight, a description of the goods, and any special instructions (e.g., "perishable").

Bill of Lading (BOL):

A BOL is a shipment receipt which acknowledges the handing over of goods from exporter to transporter and then later from transporter to importer. It may contain details of goods being shipped along with details of sender and receiver and also destination of goods being delivered.

For example: If a manufacturer named ABC in Bangalore is sending a consignment of ready-made garments to a buyer XYZ in Delhi through road transport vehicle like a truck, then a BOL will be signed by manufacturer (or his representative) and the truck driver when the goods are loaded on the truck and later it will be signed by both truck driver and buyer (or his representative) when the goods are delivered at the destination.

Commercial Invoice:

It is a legal document between the seller and the buyer which includes information like quality and quantity of goods sold, price of the goods, amount paid in advance and amount due on the buyer. This document is also required by customs department to calculate custom duty on exported goods.

Certificate of Conformity (COC):

COC is a document issued by an authorized agency (either manufacturer or buyer's agent or a third party laboratory) which certifies that the product meets specified standards and guidelines.

Certificate of origin (CO):

It is a document issued by an authorized body which declares that goods being exported are manufactured / produced / processed in a particular country.

Certificate of Inspection:

It is an inspection report (usually provided by a third party) which declares that the goods (including perishable items) were found in good condition immediately before its shipment.

Cargo Insurance:

It is an insurance coverage of the shipped goods against physical damage or theft or any potential losses which may occur during transit.

Customs clearance:

It is a document issued by customs authority which certifies that the shipped goods have been checked, all duties have been paid and exporter may ship the goods.

Customs declaration:

It is a form which includes the list and details of goods being imported or exported.

Carnet:

It is a customs document which allows import / export of merchandise temporarily without having paid the duties / taxes.

Cash against Document:

In this process, the title documents of the shipped goods are transferred from exporter to importer on payment of amount. This generally done through the banks of the exporter and importers. Exporter submits all the invoices and shipping documents to its bank which is then transferred to the importer's bank and handed over to the importer only after payment of the amount of the exported goods.

Cash in advance:

It is a trade agreement where the buyer pays the seller in advance before the goods are exported.

Cash with order:

It is also like cash in advance, where the buyer pays for the goods to the seller while confirming the order.

Counter Trade:

It is a trade system where goods or services are exchanged between two countries rather paying for them in cash.

Credit Risk Insurance:

It is an insurance scheme which covers the credit or non-payment of exported goods.

Custom house broker:

He / she is an agent / agency who is licensed to deal into custom clearance process on behalf of the exporter / importer / freight forwarders/ trade authorities etc.

Customs:

It is a body authorized to collect custom duties on import / export of goods. The process involved in the collection of such duties is also referred as customs.

Documents against acceptance (D/A):

It is term of trade where the buyer's bank is instructed to release the title documents of the exported goods only when the buyer accepts the Bill of Exchange.

Bill of exchange (or Draft):

It is a written order in International trade which compels one party to pay a designated amount to another party, on demand or on a designated future date.

Drawback:

It is refund of customs duties / taxes on import / export of goods.

Dumping:

Dumping is a concept of international trade where an exporter floods the importing country with the goods at an unfairly low prices to impact the domestic market of the importing country. The price of goods being exported is kept lower than the price of goods at the exporter's country.

Duty:

It is the tax imposed on import of goods, which is based on value of the goods.

Dangerous Goods Note (DGN):

It is a shipping document used only for the goods listed under Dangerous Goods Emergency Action Code List (EAC) to inform the logistics that the goods being shipped are dangerous or hazardous. If the goods are not dangerous, sender sends a Standard Shipping Note (SSN).

Electronic Export Information (EEI):

It is the same data which is formerly collected as Shipper's Export Declaration (SED) to be filled in Automated Export System (AES)

Exchange Permit:

It is a government permit to the importer to convert the domestic currency into foreign currency.

Exchange Rate:

It is the value of one currency in terms of another.

Export Broker:

It is an individual or a firm that introduces a buyer and seller interested in an export trade. They work as an intermediary but do not participate in the actual sales transaction.

Export Commission House:

It is a firm which acts as a buying agent for a foreign buyer. Their primary objective is to check compliance as per foreign buyer's instructions.

Export / Import License:

It is the license issued by the government to a person / firm which allows the trade of goods by export / import to certain destinations.

Export Management Company:

It is a private company which acts as a service provider for the manufacturers or producers, for export of their merchandise.

FAS (Free Alongside Ship):

It means that the price of the goods include all expenses till the goods are delivered alongside a designated ship.

FCA (Free Carrier):

It is like FOB and means that seller is responsible for the goods till it reaches a designated shipping point, after which the buyer will be responsible for the goods, costs and the damages.

FI (Free In) and FO (Free Out):

It means that the carrier (sea ship / aircraft) is responsible for the loading / unloading of the goods from the vessel.

FOB (Free on Board) :

It means that the seller bears all the costs and risk till the goods are departed from the seller's shipping dock, after which the buyer is responsible for all the costs, risk and damages.

Free Trade Zone:

It is a port designated by the government for duty-free import/export of non-prohibited goods.

Open General Export License (OGEL):

It is the one time export license granted to a company for export to specific destinations.

Gross Weight:

It is the total weight of the vehicle including the freight, fuel and passengers.

Letter of Credit (L/C):

It is like a guarantee from the buyer's bank to make the payment for the goods sold on behalf of the buyer if buyer fails to do so.

Licensing:

It means permitting another manufacturer to manufacture your product in return of royalty or license fee.

Quota:

It is a government imposed trade restrictions for import / export of goods based on their quantity or value.

Quotation:

It is an offer and willingness to sell a product. It may also include the product description, quantity, quality, price and trade conditions.

Trust receipt:

When the buyer cannot pay for the goods imported until it is sold, the buyer's bank release the merchandise to the buyer but retains the title.

Warehouse Receipt:

It is a receipt issued by the warehouse and guarantees that product of certain quality and quantity is stored in the warehouse.

PROCESSES INVOLVED IN EXPORT MARKETING**A: Understand and prepare for exports**

- **Considering exports** - The difference between domestic marketing and export marketing is the difference in environment. An exporter faces various trade barriers in international trade.
- **Current Business Viability**—One should not consider exporting if their firm is not able survive in current business.
- **Willingness to export:** In addition to having an established foundation (i.e. a viable business) on which to grow, there are many other factors that contribute to export readiness, one of which is the willingness to export.
- **Establish a detailed export mission statement and initial research budget for your business** - When a businessman is ready to export, he should establish a clear statement of export intent and fix a budget that will allow to carry out the research and planning necessary to prepare and execute an export strategy.
- **Affirm the Administration's Dedication to Exports:** Due to insufficient administration's dedication to export efforts of companies. Company's management should be involved in the export activities.

B: Research and segmentation of export markets

- Company's initial export SWOT (strength, weakness, opportunity and threats) analysis should be as it is required to understand the company's export capabilities, as this information is used as input into the company's market research process. This SWOT analysis will need to be reviewed later as a complement to the export program.
- **Select and research potential countries / markets abroad** – Businesses cannot be done in all countries in the world. Even existing companies can do just that in maximum of two or three countries which are geographically or culturally or in terms of language close to each other. Small businesses could hardly cope with an additional nation. Once a short list of countries

has been established, the next step is to conduct a desk and market research to identify the most suitable country. For major countries like the US, Germany, UK, etc., exporters can also segment the country into more accessible segments like women under 35 years of age or households with income of \$ 35,000 or more per year to concentrate marketing efforts. This research is necessary to understand the foreign environment to enter and identify potential foreign customers and their needs.

C: Compile an export plan

- **Preparing your export plan:** This is one of the most important steps in the export process. It is based on SWOT analysis, export objectives and a marketing strategy for the export.

D: Implementation of the export plan

- **Obtain financial / export resources:** Every business needs to finance its export efforts in one way or another and it is necessary to find out from where they will find the money.

- **Manage your export risk:** When negotiating and signing an export contract, a company is committed to certain obligations like delivery on time and in conformity with a certain standard dealing with business partner.

- **Promote the company and its products abroad:** This involves informing the world about the company and what you offer. There are many promotional channels that one can use such as advertising in trade magazines, email marketing or participation in trade shows. The selection of channel depends on the promotional strategy which has been defined in the export plan.

- **Negotiation and pricing in export markets:** Exporters need to reach out to customers, convince them to buy, negotiate a suitable offer and price, and quote them.

- **Consider Selling Costs and Demand** - After discussions with the buyer, the exporter may need to consider reducing demand or other terms of sale. This can allow exporter to re-examine their cost plan and exercise.

- **Obtaining an export order** - By signing the contract, an export order is confirmed.

- **Product production:** With the export order, the goods are ready to be produced. This will start by sourcing raw materials and components and producing, packaging and labelling products for export.

E: Transport and export logistics

- **Management of export logistics** - Logistics for export, represents the entire supply chain channel which includes streamlining of order handling, transportation, inventory management and handling, storage, packaging, and

clearing of the export goods. Efficient export logistics management by the entity can give the exporter a competitive advantage through better order handling and reduced product cycles.

On the other hand, sub-par logistics management often leads to increased logistics cost and poor service.

F: Export documents and payments

- **Managing Export Documents and Export Payments** - Once the product is successfully produced and is ready to be shipped, the exporter starts with the formal process of planning the logistics. This process of planning and assembling the required documents is a crucial process. All export documents should be in order so that exporters can get paid for their products through sale.
- **Provide follow-up support** - Buyers want assurance that if something is wrong with the product, exporter will help them. It is necessary to understand what service, incentives, and guarantees exporter is offering to the buyer.
- **Getting paid:** An important part of any export process is receiving money for the products/services offered to the buyer.

G: Export management

- **Export process review:** To ensure efficient export service, one should review and improve the export process.
- **Export management:** The export process starts over with the next client. This is the purpose of export management and refers to the way an exporter organizes the export department.

Activities

Activity 1:

List 20 terminologies of export Marketing and write the meaning of them in your practical file.

Materials Required:

1. Practical File
2. Coloured pens and pencils

3. Ruler
4. Eraser

Procedure :

1. Conduct a primary research and prepare a list of items exported from India.
2. Prepare a list of countries where these items are exported.
3. Add this information to your practical file.

Check Your Progress**A. Fill in the blanks –**

1. A _____ is a document issued by a carrier to acknowledge receipt of cargo for shipment.
2. A certificate of _____ confirms that the goods in a particular export shipment have been produced, manufactured, or processed, in a particular country.
3. The authorities designated to collect duties levied by a country on imports and exports are called _____.
4. _____ is the price of one currency in terms of another currency.

B. Write short answers for the following –

1. List any 10 export related terms and provide meaning of them.

C. Write long answers for the following:

1. Explain the processes involved in Export Marketing.

Session 5: Foreign Currency Management

Foreign Currency

A money system for daily use in a country is called currency. Each currency has an assigned code, which is used in the currency markets, and a currency code symbol that is used especially when pricing products.

Symbols and signs of world currencies

The currency symbol is the name of the specific currency in written form. It is basically a symbol in which words are replaced by a symbol for convenience. For example, Rs. 100 instead of the full version: 100 Indian rupees. Currency symbols are standardized. Currency symbols are useful for recognizing the currency and exchange rate of a particular country.

List of currency symbols: Europe

Country	Currency	Currency code	Currency symbol
Bulgaria	Bulgarian lev	BGN	лв
Switzerland	Swiss franc	CHF	CHF
Czechia	Czech koruna	CZK	Kč
Denmark	Danish krone	DKK	kr
Euro area countries	Euro	EUR	€
United Kingdom	Pounds sterling	GBP	£
Croatia	Croatian Kuna	HRK	kn
Georgia	Georgian lari	GEL	ლ
Hungary	Hungarian forint	HUF	ft
Norway	Norwegian krone	NOK	kr
Poland	Polish zloty	PLN	zł
Russia	Russian ruble	RUB	₽

Romania	Romanian leu	RON	lei
Sweden	Swedish krona	SEK	kr
Turkey	Turkish lira	TRY	₺
Ukraine	Ukrainian hryvna	UAH	₴

List of currency symbols: Middle East and Africa

Country	Currency	Currency code	Currency symbol
UAE	Emirati dirham	AED	د.إ
Israel	Israeli shekel	ILS	₪
Kenya	Kenyan shilling	KES	Ksh
Morocco	Moroccan dirham	MAD	د.م.ع
Nigeria	Nigerian naira	NGN	₦
South Africa	South African rand	ZAR	R

List of currency symbols: The Americas

Country	Currency	Currency code	Currency symbol
Brazil	Brazilian real	BRL	R\$
Canada	Canadian dollars	CAD	\$
Chile	Chilean peso	CLP	\$
Colombia	Colombian peso	COP	\$
Mexico	Mexican peso	MXN	\$
Peru	Peruvian sol	PEN	S/.
USA	US dollar	USD	\$

List of currency symbols: Asia & The Pacific region

Country	Currency	Currency code	Currency symbol
Australia	Australian dollars	AUD	\$
Bangladesh	Bangladeshi taka	BDT	৳
China	Chinese yuan	CNY	¥ / 元
Hong Kong	Hong Kong dollar	HKD	\$ / HK\$ / “元”
Indonesia	Indonesian rupiah	IDR	Rp
India	Indian rupee	INR	₹
Japan	Japanese yen	JPY	¥
Malaysia	Malaysian ringgit	MYR	RM
New Zealand	New Zealand dollar	NZD	\$
Philippines	Philippine peso	PHP	₱
Pakistan	Pakistani rupee	PKR	Rs
Singapore	Singapore dollar	SGD	\$
South Korea	South Korean won	KRW	₩
Sri Lanka	Sri Lankan rupee	LKR	Rs
Thailand	Thai baht	THB	฿
Vietnam	Vietnamese dong	VND	₫

Currency Conversion

The process of converting the currency of one country to the currency of another country is known as currency conversion. A person may receive a lower or higher value after currency conversion based on current currency exchange rates. Currency exchange, or forex, is the conversion of the

currency of one country into another. The value of a currency can be indexed to the currency of another country, such as the US dollar. The monetary value of a country is set by the government of the country. Most countries float their currencies against of other countries, which is why the currency rates constantly keep fluctuating.

Factors that affect the value of the currency

The value of a particular currency is determined by market forces based on trade, investment, tourism, and geopolitical risk. Whenever a tourist visits a country, he has to pay for goods and services using the currency of the host country. Therefore, a tourist must exchange the currency of their country of origin for the local currency.

Another important demand factor occurs when a foreign company seeks to do business with a specific country. Generally, the foreign company will have to pay in the currency of the local company. At other times, it may be appropriate for an investor from one country to invest in another, and this investment must also be made in the local currency. All of these requirements create a need for forex and contribute to the large forex markets. Currency is managed globally between banks and all transactions are handled by the Bank for International Settlements (BIS).

The factors that affect the value of currency are

1. **Interest rates** – It means the amount it costs to borrow money. Higher interest rates implies higher demand of currency.
2. **Inflation-** Inflation means rise in prices with rise in demand. With inflation, the interest rates are assumed to get higher than before, thus making inflation have a positive outlook for the currency.
3. **Economic growth** – Growth in GDP (Gross Domestic Product) might bring higher inflation rates and thus an increased rate of interest making local currency strong.
4. **Current account balance-**A positive current account balance reflects that a country lends more than it borrows, whereas a deficit current account balance reflects that the country borrows more than it lends. The borrower country will see less demand for its currency.

Currency conversion is divided into two categories:

(a) Buy foreign currency: When you travel abroad, you need the currency of that country. For example: to go to the United States, you need USD and you must buy the US dollar by exchanging the Indian rupee. It is buying foreign currency.

(b) Sale of foreign currency - Upon returning from abroad, you may have a balance in foreign currency. Now you need to exchange the foreign currency for the Indian rupee. This is called a sale of foreign currency.

The buying and selling of currencies are included in the category "Foreign Exchange".

How to exchange foreign currency in India

Currency exchange in India can be done through banks (AD-I license by RBI) and exchange houses (AD-II and FFMC licensees).

(a) Currency exchange in Indian banks

To exchange currency, one must go to the bank where you have an account. If you have an account at SBI, you can trade currencies at SBI. Based on the exchange rate of this foreign currency against the rupee, the monetary value will be decided and the bank will quote the service charge, for this conversion you must submit the required documents.

(b) Exchanging foreign currency with RBI approved money changers (AD-II, FFMC)

There are many RBI approved money changers that have the "Authorized Reseller Category - II or Full fledged Money Changers (FFMC)". One can also contact these resellers for currency conversion. Few examples of these exchangers are Muthoot, Forex, Unimoni (formerly UAE Exchange), Cox & Kings, Thomas Cook etc. In this type, the person does not need to have an account with them to buy / sell foreign currency. In addition, they offer attractive exchange rates. But one must be careful when choosing an exchange office, as not all money changers are RBI licensed. Be sure to process the transaction at a licensed foreign exchange shop.

EXPORT RISK MANAGEMENT

By providing new markets and opportunities, the export of goods to other countries is a source of business growth. In export process, companies face new and unknown risks particularly those related to payments. Export risks include distribution risks, product and production risks, economic risks, staffing risks, legal risks, political risks, competition risks, procurement risks, sales risks etc.

What is Export Risk Management?

Export risk management is not just about eliminating risk. When working with business partners and clients in other countries, one cannot imagine a business without risk. Therefore, to manage risk, a company needs to know what risks are there, at what level it is facing and how much of that risk it is able to reduce.

These risks have an impact on the business and therefore, companies must manage them carefully. Not all risks have the same impact on the business

i.e. late payments. Some payment risks can lead to serious debt. One cannot assume that which risk leads to what consequences. Therefore, managing an export business requires a thorough understanding of all the risks that a business can face. Some risks are inherent in exporting business, and can have devastating effects on the performance and profitability of the company.

These risks include macro-economic risks, such as the risk of inflation; Political risks and company-specific risks, such as the chances that market demand will decline. There are different strategies for managing these different types of export risks, including developing custom payment terms, targeting trading partners only in specific places and sectors, and insuring specific & significant risks. With strong risk management, exporters can more confidently grant credit and favourable payment terms to increase growth. To avoid this, companies can take advantage of a variety of tools and solutions, such as credit insurance and stricter payment terms for high-risk customers.

What are the different types of export risks?

There are different types of export risks. The companies involved in business globally face not only their local business risks, but also a number of global risks related to currency, credit, intellectual property, transportation, ethics, etc. It can be affected by the changing political environment and macroeconomic fluctuations. These economic, political and legal changes have an impact on the business activities of a given country or region.

(a) Political risks

Some of the political risks are well known, while others can arise unexpectedly. Elections, pressure from governments in other countries, and civil unrest can dramatically change the political situation. In general, the more stable a country's financial and social systems, the less the country's exposure to political risk. When the political situation in a country changes, companies doing business in that country suffer. It can be difficult to transfer money in and out of the country and buyers can at default on payments.

To avoid political risks, exporting companies must closely monitor the political situation in the country in which they operate. The company can lower the credit limits of buyers in that particular country.

(b) Legal risks

Export laws and regulations vary from country to country. As a result, exporting companies may face legal problems related to customs, contracts, currency, and liability for the goods they sell.

Legal risks associated with exporting can be reduced by hiring legal advisers in a particular country who are experts in local laws. Sometimes, a company can get involved in a protracted legal dispute in an unfamiliar country with local legal problems. A trusted legal advisor can help you avoid, anticipate, and deal, with these legal problems.

(c) Credit and financial risk

In international business, the risk of default by buyers is very common. One of the most important financial risks is export credit risk. Getting payments from buyers is difficult itself and it is more difficult when the buyer is in another country. It is very difficult to assess the creditworthiness of an international buyer. Currency risks are also linked to currency exchange against a commercial contract. As exchange rates continue to change, companies then may be forced to convert funds generated abroad at lower rates than budgeted. Thus, companies have an exchange rate policy to stabilize profit margins on sales, minimize the negative impact of exchange rate variations, improve cash flow control and simplify prices.

To minimize these credit risks, exporters often rely on pre-payment or credit guarantees, such as letters of credit or export credit insurance.

(d) Quality risk

Many times, shipments are rejected because of the poor quality of the merchandise. Quality standards are based on the specific requirements and expectations of the buyer. Quality can be a criterion for the buyer to negotiate a discount on the products that are shipped. To avoid such quality risks, an independent third party should be engaged to inspect the goods prior to shipment. Otherwise, the exporter can send samples to the importer, so, that he can inspect the products himself and determine if the quality is acceptable before submitting any orders.

(e) Risk related to transport and logistics

The goods sold must be sent to the customer. Exporters can face a variety of transportation and logistics risks. Some products require refrigeration and have an expiration date, while others require careful handling. In the case of a mishap, the buyer can negotiate a price reduction or reject the entire shipment.

Reducing risks in transportation and logistics involves careful quality control and monitoring procedures. Specialized transportation and logistics companies can help with this and provide coverage for losses caused by delays and shipping problems.

(f) Linguistic and cultural risk

Differences in language, culture, religion and many other aspects affect international trade, especially when exporters and buyers speak different languages. Sometimes well-intentioned exporters can create tension or offend customers or government officials ;without knowing. To avoid these kinds of problems, exporters should have staff who speak the local language of that particular region and establish local business relationships in the countries that import their products.

(g) Intellectual property risk

It covers the risks that certain third parties may use company's information such as investigations, agreements and contracts, customer lists, etc. or assets that may affect the business. It is sometimes very difficult to protect the company's rights to this property. To avoid these risks, companies must register the names and brands of their companies before signing an agreement in this country. At the same time, they must be aware of counterfeiting.

(h) Shipping risks

When shipping goods, there is always the risk of breakage, loss, theft, accident, and contamination. Therefore, before shipment, the goods must cover sufficient insurance. Incoterms of the International Chamber of Commerce define the roles and responsibilities of the buyer and the seller with respect to the risk of shipment. Better to work with a freight forwarder

Activities

Activity 1:

Prepare a report on current market trend in respect of various foreign currencies conversion rates with respected to Indian Rupees. (For minimum 25 currencies)

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure:

1. Conduct a primary research and prepare a list of currencies.

2. Collect information about their conversion rates.
3. Mention the conversion rates against each currency.
4. Add this information to your practical file.

Check Your Progress

A. Fill in the blanks –

1. A money system for daily use in a country is called _____.
2. The _____ is basically a symbol in which words are replaced by a symbol for convenience.
3. The process of converting the currency of one country to the currency of another country is known as _____.

B. Write short answers for the following –

1. Write a short note on Export risk management.
2. Write a short note on Currency conversion.

C. Write long answers for the following:

1. What are the different types of Export risks? Explain in detail.
2. Explain in detail about the various ways of exchanging foreign currencies in India.

Module 2**Planning and Execution of Export Processes****Module Overview**

Over thirty years ago, it really took an effort to become a well-known exporter. But today, mainly because of technological advancements and the internet, one can market their products and services all over the world without any great effort. In fact, if a business has a website, it is already on international market.

But just because it is easy for someone in India to order products online, does not mean that the firm is ready to be a successful exporter. To become a successful exporter, who makes money, or grows a business and never gets into trouble, one needs to understand the export processes clearly, to avoid any mistakes and penalties.

Since ,exporting is a lengthy process which requires certifications and approvals at every step, it becomes compulsory for an exporter to understand about various documentations required.

Learning Outcomes	
After completing this module, you will be able to:	
<ul style="list-style-type: none"> • Create and manage Export Sales Contract • Create and manage Documentation related to pre & post shipment • Handle the Central Excise and Customs Clearance 	
Module Structure	
Session-1	Documentation and reporting formats
Session-2	Shipment documentation
Session-3	Custom clearance and taxation

Session 1: Documentation and Reporting Formats

Various kinds of reports and documents are required to be prepared while practicing Export business. Reports or documents could be produced in multiple ways like a text document, an excel sheet / tabular format or a power point presentation. Generally, project reports are prepared in text document and trade reports are prepared in tabular formats to keep a track on transactions.

Export / Import business is not possible without proper documentation. Documents help in transferring of goods and claiming the payments. Also, different types of documents are required at different stage of export and shipment of goods. Copies of certain documents are also required to be submitted to the bank for clearance of payment.

Documents can majorly be categorised into two types:

1. **Operational Documents:** These are the documents which are used for certification, transportation and custom appraisal of the goods being exported. Following are few examples of Operational Documents:
 - a. Shipping Bill
 - b. Shipping instructions
 - c. Pro-forma invoice
 - d. Commercial invoice
 - e. Mate receipt
 - f. Certificate of Origin
 - g. Bill of exchange
 - h. Letter to the bank for collection of documents
 - i. Certificate of insurance, etc.
2. **Regulatory Documents:** These are the documents which pertain to regulatory departments like, Customs, Port trust authorities, Excise and Reserve Bank of India. Following are few examples of Regulatory documents:
 - a. Gate pass
 - b. Bill of Export
 - c. Dock Challan

- d. Receipt of payment of port charges
- e. Vehicle chit
- f. Freight payment certificate
- g. Insurance premium payment certificate, etc.

Prepare and Execute Export Sales Contract:

Once the final negotiation on price, Insurance and transport formats is finalised (as per quality and quantity demands of the buyer) between buyer and exporter, it is the time to freeze the deal formally with a formal Export-sale contract. Such contracts would be binding on both buyer and exporter as per the conditions agreed upon by both the parties and also mentioned in the contract. Such contract should not create any ambiguity or confusion and must be prepared in simple language with care.

Such contracts consists of each and every detail about technical specifications of the product, packing and packaging details, storage and distribution methods, delivery schedule, mode and time of payment, etc.

Following is the list of essential elements of an export-sale contract document:

1. Name and Address of both the contracting parties (Exporter and Buyer)
2. Name of the product and product specifications
3. Quantity of product being traded
4. Mode of Inspection of the traded goods
5. Total Value of the contract
6. Terms of Delivery of the Consignment
7. Taxes and Duties
8. Delivery Schedule and mode of shipping
9. Packaging and Branding.
10. Mode and schedule of Payments and currency of amount
11. Documents and certificates required along with consignment
12. Force majeure clause
13. Insurance of the consignment
14. Discounts and commission
15. Arbitration

Indian Council of Arbitration has been established in New Delhi ;with the motive of providing arbitration related advice and guidance for both domestic and foreign trade matters. An exporter can always seek their help in matters relating arbitration.

Business Project Report:

Project reports consist of the business plan of exports of a particular item or a proposal report consisting of proposed export business format. Such reports are often required to be submitted to investors or banks for funding and lending money for the business. A general project report may consist of the following elements:

1. Introduction to Export business in the country
2. Exporter's company diagnostics
3. Study of product / services to be exported
4. Study of Market where product is to be sold
5. Cultural and Environmental factors of the client's country
6. Sales promotion strategy
7. Pricing strategy
8. Transportation and Packing details
9. Trade Barriers
10. International law
11. Financial Analysis
12. Tax Exemptions (if any)
- ◀ 13. Competition mapping
14. Trade realization
15. Risk Management
16. Insurance Coverage
17. Benefits for Home country
18. Benefits for Host country

Trade reports

These may consist of details of trade (export) transactions between importer and exporter of home / host country. These reports may consist of every minute detail required about the past export / import deals. These details may consist of the following:

1. Date of trade
2. HS Number
3. HSN code
4. Chapter number
5. Product Description
6. Exporter's / Importer's Name and Address
7. Foreign Importer's / Exporter's Name and Address
8. Indian Port Name
9. Foreign Port name
10. FOB value INR
11. FOB value USD
12. Exporter city

INDIA EXPORT SAMPLE #1			
Month	—	Year	—
Date	—	Chapter	—
HS 4 Digit	—	HSN Code	—
Product Description	—	Foreign Country	—
Indian Exporter Name	—	Exporter's Address	—
Foreign Importer Name	—	Importer's Address	—
Foreign Port	—	Indian Port	—
Quantity	—	Unit	—
FOB Value INR	—	FOB Value USD	—
FOB Value Foreign	—	Unit Price Foreign	—
Currency Name	—	FOB Value in Lacs INR	—
Exporter City	—		

Fig.: 2.1 Export Document Sample

INDIA EXPORT SAMPLE #2			
Month	–	Year	–
Date	–	Chapter	–
HS 4 Digit	–	HSN Code	–
Product Description	–	Foreign Country	–
Foreign Importer Name	–	Importer's Address	–
Foreign Port	–	Indian Port	–
Quantity	–	Unit	–
FOB Value INR	–	FOB Value USD	–
FOB Value USD	–	Currency Name	–
Unit per Foreign Currency	–	Exporter City	–
FOB Value in Lacs INR	–		

Fig.: 2.2 Export Document Sample

Communication with suppliers, consignee, agents, transporters

Formal communication with International client could be either verbal or written. Verbal communication with International clients, supplier, agents, and transporters could be done through phone or video call, whereas written communication could happen through physical letters, emails and text messages on mobile phones.

The mode of communication could be different at different countries. For example, in India, we often address the recipient with “Dear Sir / Madam” while in western countries like UK / USA, “Sir / Madam” are rarely used and recipients are generally addressed by their names like “Dear Jack” or “Dear Mathew”; so accordingly, care must be taken while addressing the recipient.

Various forms of communication which are used while communicating with clients are as follows:

- I. **Written Communications (E-mails/Letters)** are the most common and most effective medium of formal communication in Export business. Also e-mails can be sent and received instantly. Another benefit of e-mails over physical letters is that multiple attachments can also be sent along with e-mails like pictures, documents, video, etc. Moreover, e-mails are free to use for all and easier to track history of communication.

Following are the suggested **Do's** while using e-mails:

1. **Subject Line:** It should be short, informative and clear enough for the recipient to know the context of the email. It must entices the interest of the reader. Also, it should always match with the body of the letter. It is also helpful to search / browse emails.
2. **Addressing the recipient:** The common ways of addressing someone informally could be “Hi”/ “Hello”. But during formal communication through emails / letters one should address the recipient with “Dear Mr. / Ms.”.
“Mr. / Ms.” is used for male / female respectively, irrespective of the marital status of the recipient.
3. **Greetings:** After addressing the recipient, sender should greet the receiver with pleasant phrases like “Greetings from India” or “Good Morning” or “Hope you are having a good day” etc.
4. **Matter / Body of the letter / email:** It is the heart of the letter and should be clear and compact. Lengthy letters / e-mails should always be avoided as readers generally do not devote so much time to read the complete letter. A short and simple letter with point-to-point matter is always appreciated by readers. Tone of the letter should always be subtle, modest and clear.
5. All the attachments should be mentioned in the email body.

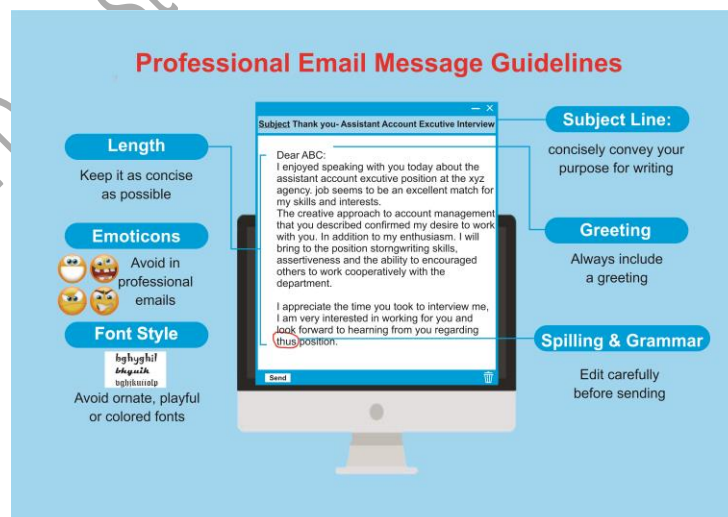


Fig.: 2.3 E-mail Guideline

Following are the **Don'ts** of the Email writing which should be avoided:

1. Avoid spelling and grammatical mistakes.

2. Do not promise wrong commitments; which the firm cannot fulfil.
3. Over communication or unnecessary information should be avoided.
4. Heavy attachment file should be avoided because sometimes it becomes difficult to upload and download them.
5. Avoid harsh language over formal letters / emails.
6. Avoid using emoticons in formal communications like letter / email.

II. VERBAL COMMUNICATION:

Meeting someone in person is any day better than contacting him/her over phone or emails. But while dealing with far away vendors, suppliers, agents, transporters or clients, it is impossible to meet personally all the time. Also, there might be occasions where reporting is to be done to seniors or presentation is to be delivered to the suppliers or clients. In such case, the most important factors of communication are 'Knowledge' and 'Language'. The speaker / presenter should have thorough knowledge about the presentation / product and also he/she should have a good command over language to communicate in simple yet effective way.

English, being an International language is the most commonly used world-wide for business communications. But while communicating with non-English audience, it could create a communication barrier.

Following are the steps to follow to communicate in the best way:

1. Adapting communication style: The general form of communication in US is informal and direct and generally, everyone addresses another by his / her first name. But, countries and places where communication style is not that direct, it is advised to initiate with formal communication and switching to lesser formal mode later as the relationship develops.

2. Occasional use of Local Language: While communicating with International audience with English not being their first language, it is advised to use their local language occasionally. It helps in promoting smooth relationship and also shows your willingness and interest in their culture. But comments or phrases in the listener's local language should be kept short and precise. It is advised to check the correct pronunciation before using such greetings or phrases.

- 3. Speak clearly and softly:** Even if you can speak English or a local language fluently, it is advised to speak in a pace which audience can comprehend easily.
- 4. Be descriptive:** While delivering the presentations, it is better to use pictorial representations like pictures, charts, flow charts, diagrams, graphs, etc., wherever they can be used because it makes it easier for the audience to relate and understand.
- 5. Avoid using slangs:** Slangs could be a part of informal communication but its use in formal communications whether verbal or written is not advisable. Hence, it should be avoided by the speaker.
- 6. Speaking with audience's perspectives:** While addressing audience far away from you, it should always be remembered that they might have a different perceptiveness to the situation. For example: temperature, weight, distance, time etc. can be measured differently in different areas. For example, in India distance between two cities is measured in Kilometres while in USA it is denoted in Miles.

Activities

Activity 1:

Draft a hypothetical Export Sales contract between two trading parties.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure:

- 1- Write names of two hypothetical firms and their countries – one is exporting and another is importing the goods.
- 2- Choose a product to be exported and check about its HSN code.
- 3- Prepare an export sales contract between these two firms with imaginary quantity and estimated price (as per current value).
- 4- Add this contract to your practical file.

Activity 2:

Draft a hypothetical Export Trade Report between two trading parties.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure:

1. Write names of two hypothetical firms and their countries – one is exporting and another is importing the goods.
2. Choose a product to be exported and check its HSN code.
3. Prepare an export trade report between these two firms with imaginary quantity and estimated price (as per current value).
4. Add this report to your practical file.
- 5.

Activity 3:

Draft a letter to the buyer, thanking him/her for confirming an export order with your firm.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler

Procedure:

- 1- Write names of two hypothetical firms and their countries – one is exporting and another is importing the goods.
- 2- Choose a product to be exported and check about its HSN code.
- 3- Prepare a letter from Exporting firm to foreign client; regarding the confirmation of the order for your products as per quotations sent earlier.
- 4- Add this draft to your practical file, after it is verified by the subject teacher.

Activity 4:

Role playing activity to be done by two students at a time. One of them would act as an exporter and another would act as the foreign client.

The student playing the role of Exporter should enact and make a call to the Buyer (other student) and introduce about his exporting firm and check if there is any requirement of goods with the buyer's firm, which Exporter can supply.

During this enactment, the exporter should also try to convince the buyer about the product's quality and timely delivery.

Procedure:

1. Choose names of two hypothetical firms and their countries – one is exporting and another is the foreign buyer.
2. Choose a product to be exported.
3. Enact like is making a call to another and trying to introduce about his /her exporting firm and the products supplied.

Check Your Progress**A. Fill in the blanks –**

1. An Export sales contract is signed by both buyer and _____.
2. _____ may consist of details of trade (export) transactions between importer and exporter of home / host country.
3. Formal communication with International client could be either verbal or _____.

B. Write short answers for the following:

1. Write a short note on Export Sales Contract.
2. Write a short note on Trade Report.

C. Write long answers for the following:

1. Explain the importance of documentations in export.
2. Explain about Verbal Communications and precautions to be taken.

Session 2: Shipment Documentation

Receiving an export order is not difficult but it is extremely difficult to execute it successfully. This is because shipments of goods abroad require some defined processes and are subjected to legal restrictions. The export trade is governed by legal controls and therefore all its functions are carried out according to defined procedures. Various systematic procedures are followed for the export of goods. Selling abroad requires specialized knowledge in some subjects, such as detailed market research, shipping, marine insurance, customs procedures, and currency exchange, etc.

Steps of The Export Procedure

The export procedure involves several steps. The different stages can be classified into four stages

1. PRELIMINARY STAGE

- **Organizing:** the exporter will have an agency that will be in charge of exports. Exporters can create a completely new organization or add an existing one to the export segment. At this point, the exporter can decide to choose the right product to sell abroad.

Registration with multiple authorities: the exporter must register their organizations with multiple authorities. These are as follows:

- a) Tax authorities to obtain a permanent account number (PAN).
- b) Jt. DGFT - to get the importer's exporter code number (IEC #)
- c) EPC - to obtain registration - with membership - certificate (RCMC)
- d) Other authorities, such as FIEO, tax authorities, chambers of commerce, etc.

FIEO- Federation of Indian Export Organization

EPC- Export Promotion Council

DGFT- Directorate General of Foreign Trade

PAN- Permanent Account Number

IEC- Import Export Code

RCMC- Registration Cum Membership Certificate

- **Appointment of Agents / Distributors:** Appointment of Agents or Distributors in selected foreign markets is recommended. The exporter can also open branches or sales divisions or appoint permanent representatives abroad.
- **Approach foreign buyers:** Foreign agents / representatives approach foreign buyers with quotes. The foreign buyer will place an order with the exporter if he is satisfied with the quotation.

2. PRE-SHIPPING STAGE

- 1) **Order confirmation:** If the buyer is satisfied with the seller's terms and conditions, they will place a formal order or confirm with a signed copy of the agreement. The exporter must acknowledge and confirm that the order has been received.
- 2) **Obtaining a letter of credit:** The exporter can send a formal request to the importer to open a letter of credit in his favour, accompanied by an acknowledgment of receipt confirming the receipt of the export order.
- 3) **Obtaining Pre-Shipment Financing:** As soon as the exporter receives a verified order and letter of credit, to meet their working capital needs, they contact their bank to obtain pre-shipment financing.
- 4) **Obtaining an Export License:** Export control is exercised to some extent in India if required. The question of obtaining an export license arises only in the case of a few controlled products. Otherwise, the government has demarcated export activities.
- 5) **Production and procurement of goods:** The exporter must arrange the manufacture and supply of the goods to be shipped shortly after obtaining a pre-shipment advance from the bank. The entire production cycle is carried out by the producer-exporter himself.
- 6) **Packaging and marketing:** The exporter should prepare for proper packaging and labelling of the products once the products have been purchased for export. The packaging must ensure that the products are properly insured. Taking into account the distance to be covered, the mode of transport, the ways in which the merchandise is handled in ports, etc.; the packaging materials must be chosen.
- 7) **Pre-shipment inspection:** The exporter can contact EIC for an inspection certificate if the exported cargo is subject to authorized inspection and pre-shipment inspection.
- 8) **Central excise clearance** - Goods for export are exempted from excise duties. Two methods are used to obtain accurate customs clearance (a) export under rebate and (b) export under bond
- 9) **ECGC coverage:** The exporter must be aware to protect it from credit risk.

- 10) **Marine insurance policy** - The exporter must take out a marine insurance policy that covers the cargo against dangers, insurance premium depends on the type of quote accepted by the importer.
- 11) **Appointment of a clearing and forwarding agent** - A C&F agent takes care of the work that includes reserving the shipping space, preparing and presenting various documents to customs.

ECGC-Export Credit Guarantee Corporation of India

C&F- Cost & Freight

EIC- Export Inspection Council

3. SHIPPING STAGE

- 1) **Reservation of ship space** - The exporter contacts the shipping company in advance to reserve the necessary space on the ship for the shipment. He must include the required information like the date of shipment, the gross and net weight of each item, the contact details of the importer and his own contact details, the date of arrival and departure of the cargo, etc. When the shipping company approves the request of the exporter, then only, company or its agent issues the delivery note.
- 2) **Preparation and processing of shipping documents:** When the goods arrive at the shipping port, the exporter must arrange for the preparation of a full set of documents to be sent to the shipping agent.
- 3) **Physical examination of the cargo at the port:** The C&F officer has the order to move the cargo within the docks from Port Trust to Cart. He then approaches the customs examiner, who can physically inspect the goods. Then the custom examiner gives "Export Order".
- 4) **Loading of Merchandise** - The duplicate of the shipping invoice provided by the Customs Examiner is delivered to the Preventive Customs Officer, who endorses it with "Leave shipping order". The goods are then loaded onto the ship, for which the ship's pilot issues a receipt. The companion's receipt is sent to the shipping company for receipt of the bill of lading.

4. POST-SHIPPING STAGE

1. **Sending documents** - Sending documents to the exporter by C & F officer. The details and the way in which the shipping documents are sent are set out in the L / C. Negotiating involves sending a set of documents to ensure that the importer or his agent receives them in due time so that the exported merchandise can be delivered.

2. **Shipping from advice to importer:** When the products have been delivered, the exporter must inform the importer. By means of this indication, an importer must be informed of the date of shipment, the name of the vessel, the date the goods will arrive at their destination. A copy of the non-negotiable bill of lading is also sent for information. The importer obtains the remaining documents through his bank.
3. **Presentation of documents to the Bank** - The exporter sends a complete collection of documents to his bank to negotiate them and receive the export proceeds on time. Then the Bank sends the same documents to the exporter.
4. **Export proceeds realization:** The exporter claims the export earnings on the basis of a bank certificate. The bank certificate gives the description of the product, like its value, the conversion rate, details of the invoice, etc.
5. **Export sales follow-up** - A successful exporter should have after-sales follow-up, means they must have the required after-sales service, know the customer's opinion about the product, etc., which will help generate additional sales in the international market.

EXCISE CLEARANCE

The excise tax is a tax on goods produced in India collected by the Central Government. This duty is paid on the products before they leave the factory. Export products are totally exempted from the central consumption tax. However, the necessary authorization must be obtained in one of two ways:

- a) Export in warehouse and
 - b) Export with discount.
- a) **Export under bond** - In this system, the exporter is not obliged to pay any tariff but to export the goods under bank guarantee, for an amount equivalent to the special tax levied on these goods. Since this system is equivalent to a "security checking account", the bond is contracted with the approval of the authorities for a large amount, so that several shipments can be exported under the same bond without frequent renewal.
 - b) **Export with rebate/remission:** Under this, the exporter first pays the duty and then claims a refund once the goods have been shipped.

PROCEDURE FOR EXCISE CLEARANCE

The current procedure to settle excise taxes under "bond" and "discount" is as follows:

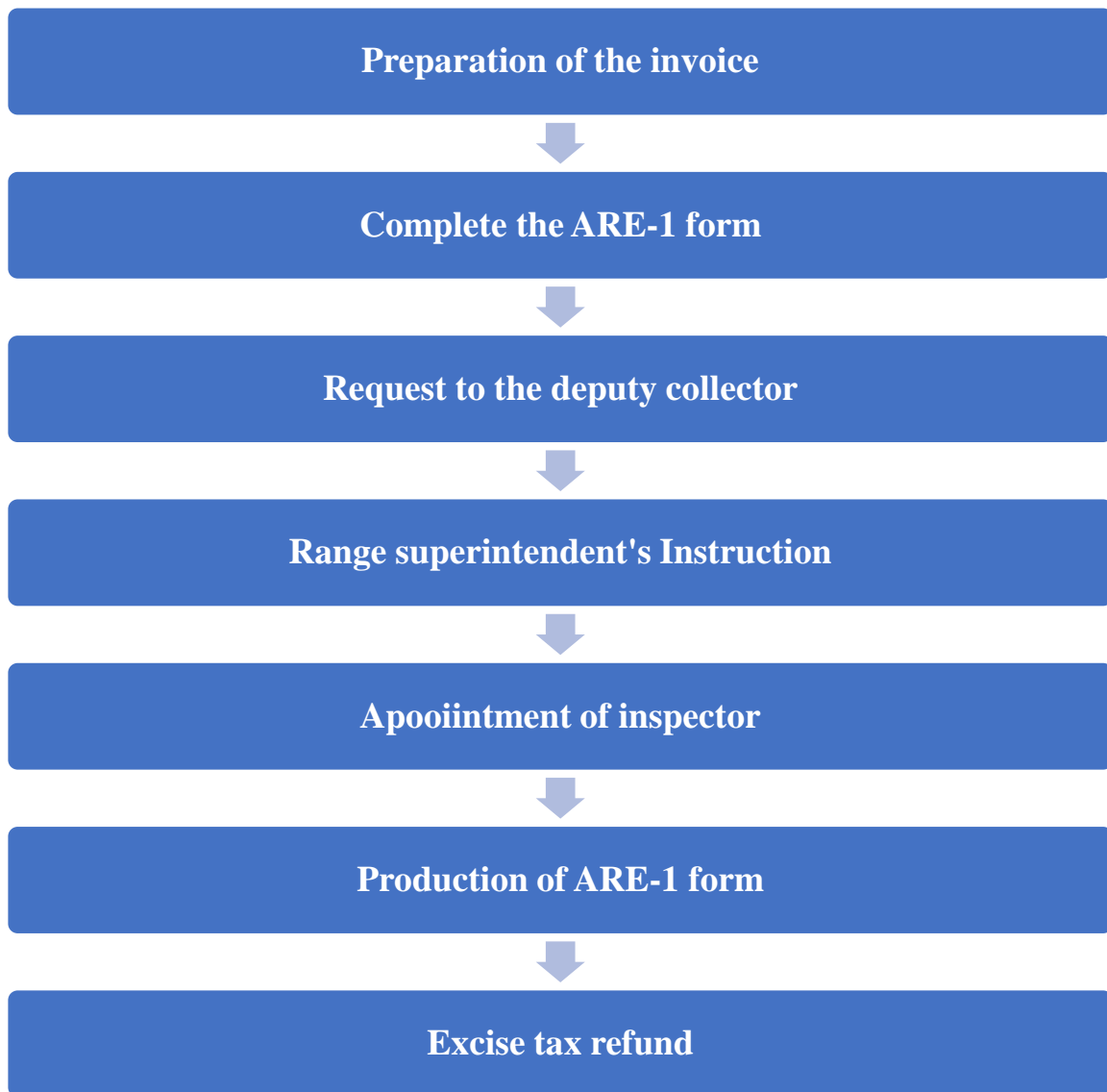


Fig.: 2.4 Procedure for Excise Clearance

- 1) **Preparation of the invoice:** The invoice includes details such as the name of the exporter, the value of the merchandise, special tax to be paid, etc. The invoice must be drawn up in triplicate. It must bear the words "For export without payment of duties" when exported under bond. In addition to the invoice, exporters must complete a prescribed ARE-1 form.
- 2) **Complete the ARE-1 form:** The exporter must complete five copies of the ARE-1 form. For verification and processing purposes, ARE-1 copies are in different colours. Original copy that is blank copy (double), triple polished copy are to be produced.
- 3) **Request to the Deputy Collector** - The exporter must now collect the merchandise from the warehouse facilities for which they must request it from the Deputy Central Collector of Special Taxes.

- 4) **Range Superintendent's Instruction:** The ACCE will notify the field superintendent of central excise taxes under whose control the plant is located.
- 5) **Appointment of inspector:** The field director appoints an inspector to comply with the excise authorization. The inspector must clear the goods at the warehouse or at the port.
- 6) **Production of ARE-1 form** - All copies of ARE-1 must be approved by the Excise Officer. Processing of the ARE-1 form is as follows.
 - a) The fifth copy (blue) is returned to the exporter.
 - b) The fourth copy (green) is sent by the excise authorities to the chief accountant of the excise office.
 - c) The third copy (pink) is sent to the maritime collector of the Tax centre at the time of shipment.
 - d) The original (blank) and duplicates (polished) are returned to the exporter.
 - e) The exporter delivers the original and the duplicates to the customs authorities.
 - f) The customs prevention officer sends the original to the maritime collector (MCCF) and returns the duplicate to the exporter or his agent.
- 7) **Excise Tax Refund:** The exporter must submit a claim to the Maritime Excise Tax Collector (MCCF) after shipment of the goods, along with a duplicate RA-4. If MCCE is satisfied, the Reimbursement section will be responsible for preparing the check and delivering it to the exporter.

Complete, file and maintain EXIM documents pertaining to Pre and Post Shipment

An export process is not effectively concluded until the exporter has been able to produce the shipment in accordance with the export contract and obtained payment for the products. An exporter needs to be very well informed about the business, products, suppliers, export chain, and the global market. He should also know the export regulations and conditions, to whom it is addressed and the needs of the end customers.

Following are the several important stages that are needed for the processing of an export order.

These are listed below:

1. Have an export order:

Production of an export product begins when an export order is issued. An export order, in simple terms, means that there must be an agreement between the exporter and the importer in the form of a document, before the exporter begins to produce or sell goods. An export order can generally take the form of a proforma invoice, a purchase order, or a letter of credit.

2. Review and order declaration:

After obtaining an export order, the exporter should discuss it with buyer in relation to the terms and conditions of the contract. This is the most critical step as all subsequent behaviour and reactions depend on the terms and conditions of the export order. An export order involves product description, payment terms, shipping, inspection and insurance conditions, payment documents, and end date of the contractual agreement with the bank. When both the exporter and buyer are satisfied with it, export order is confirmed.

3. Manufacture or purchase of goods:

Under the Export Credit Scheme (Interest Rate Subsidy), the Reserve Bank of India (RBI) provides pre-shipment credits to exporters for the purchase of raw materials. The exporter contacts the bank based on established pre-shipment credit procedures. The exporter begins to manufacture, supply and package the goods for shipment abroad after receiving the credit.

4. Central customs clearance of excise duties:

The central excise tax settlement procedure starts as soon as the goods are manufactured. There are two alternative systems under which a 100 per cent duty exemption is granted to export goods upon presentation of proof of shipment. The first system consists of licensing the payment of excise duties when the export shipment is removed from the factory and submitting a duty drawback request once the merchandise is exported. The second system consists of removing the goods without payment from the factory / warehouse, but under an appropriate contract with the excise authorities. To obtain customs clearance, the exporter must submit an application to the central superintendent of the excise category on a form called AR4 or AR4A.

Form AR4 must be submitted when the excise inspector must clear the goods after an examination. For all other cases, the AR4A form is submitted.

5. Inspection before shipment:

There are many products whose export requires quality certification according to the Indian government notification. Indian customs authorities allow an inspection certificate issued by the competent and designated authority before authorizing the shipment of the products.

The inspection of export goods can be carried out under:

- (i) Lot inspection
- (ii) Quality control during manufacturing, and
- (iii) Self-certification.

The inspection certificate is delivered in triplicate. The initial copy is for customs clarification. The second copy of the certificate is sent to the importer and, the third copy remains with the exporter.

6. Appointment of clearing and dispatch agents:

When the inspection certificate is obtained from customs agencies, the exporter appoints clearing and shipping agents; who perform various functions on behalf of the exporter. The main functions performed by these agents include packaging, marking and labelling of shipments, organizing transport to the port for shipments abroad, customs clearance of goods, contracting transport. and other documents.

To assist the exporter in the performance of his duties, the following documents are presented 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) Form G.R. (in original and in duplicate)
- (vii) AR4 / AR4A (original and duplicate)
- (viii) GP-1 / GP-2 (original)
- (ix) Railroad receipt / truck transportation guide, as applicable.

7. Goods at the port of dispatch:

Once the customs clearance and inspection procedures prior to shipment have been completed, the products to be exported are packed, labelled and numbered. Proper marking, labelling and packaging helps to move products easily and safely. The export department takes measures to reserve space on the ship by delivering the products to the importer.

The shipping room can be rented by the clearing and transportation agent, or by the freight forwarder operating on behalf of the shipping company or directly from the shipping company. When room is reserved, the transport company issues a document, known as a delivery note. This delivery note serves as proof of space reservation. If the goods are transported by a road carrier to the port, no special procedures are required. In the event that the merchandise is sent by rail to the port of shipment, the wagon assignment must be obtained from the Railway department.

The following documents are sent to the reservation station:

- (i) Shipping note (a railway document)
- (ii) Shipping order
- (iii) Receipt of wagon registration fees

When the wagons have been assigned, the merchandise is filled and the railways must issue a Railway Receipt (RR) for this. This receipt and other documents would then be sent to the clearing and transportation agent in the port city. At the same time, the Production / Export Department contracts an insurance policy for the merchandise to be exported duplicated to cover risks (national and foreign).

8. Port procedures and customs clearance:

The clearing agent and carrier, after obtaining the documents from the export agency, stores the cargo in the warehouse. It also obtains customs clearance from the port authorities and authorization to bring cargo to the hangar. The customs service grants the export authorization to the customs office and the physical inspection of the merchandise in the shipping warehouse is done. The customs broker and freight forwarder must submit the following documents to the customs office to obtain customs clearance:

- (i) Shipping invoice
- (ii) Form of contract
- (iii) Letter of credit, if applicable
- (iv) Commercial invoice
- (v) Form GR
- (vi) Inspection certificate
- (vii) Form AR4 / AR4A
- (viii) Packing list, if necessary

After obtaining the documents from the export department, the clearing and forwarding agent must deliver the port trust document to the port hangar

manager. He obtains carting order for the dock assessor to take the cargo to the transit shed for a physical examination.

The dock assessor receives the following documents to facilitate the physical examination of the export cargo:

- (i) Shipping invoice
- (ii) Commercial invoice
- (iii) Packing list
- (iv) Form AR4 / AR4A and access pass
- (v) Form GR (duplicate)
- (vi) Inspection certificate (original)

After examination, the dock assessor approves the "Let Export" statement on the duplicate shipping invoice and delivers it to the carrier. All these documents will be presented to the prevention officer, who will place a mention of "Let Ship" on the duplicate of the shipping invoice. The preventive agent supervises the loading of the cargo on the ship. Once the goods are loaded on board the ship, the ship's captain issues a receipt called a "Companion Receipt" to the port hangar manager. When invoicing the shipping costs, the carrier receives the "accompanying receipt". Send and request the shipping company to issue the bill of lading.

9. Sending documents by the freight forwarder to the exporter:

After obtaining the bill of lading from the shipping company, the clearing agent and the carrier send all the documents to their exporter.

These documents include:

- (i) Commercial invoice (certified by customs)
- (ii) Export promotion copy
- (iii) Return copy
- (iv) Clean bill of lading on board
- (v) Letter of credit
- (vi) AR4 / AR4A and Gate Pass
- (vii) Form GR (in duplicate)

10. Certificate of origin:

Once the carrier receives the above documents, the exporter requests and obtains a certificate of origin from the Chamber of Commerce. When goods are shipped to countries that offer GSP discounts, the exporter must obtain the GSP certificate of origin from the relevant authority, such as the Export Inspection Agency.

11. Notice of shipment to the importer:

Finally, the exporter sends a “Shipping Guide” to the importer indicating the date, a designated ship, the shipment and its estimated time of arrival at the importer's port of destination.

The following documents are also sent to the importer so that he can receive the shipment without much hassle:

- (i) Bill of lading (non-negotiable copy)
- (ii) Commercial invoice
- (iii) Packing list
- (iv) Customs invoice

12. Presentation of documents to the Bank:

At the end of the process, the exporter presents the following documents to his bank for the realization of the amount owed to the importer:

- (i) Commercial Invoice
- (ii) Certificate of Origin
- (iii) Packing list
- (iv) Letter of Credit
- (v) Marine Insurance Policy
- (vi) Form GR
- (vii) Bill of Lading
- (viii) Bill of Exchange
- (ix) Bank Certification
- (x) Commercial invoice

13. Claim of export incentives:

When an export order has been processed with all three shipping rates i.e. before shipment, shipment, and subsequent shipment, the exporter claims the export benefits available to him.

Activities

Activity 1:

Prepare a chart on documents for both pre and post shipment.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure :

1. Conduct a primary research and prepare a list of pre-shipment documents.
2. Conduct a primary research and prepare a list of post-shipment documents.
3. Prepare an interesting chart with this information collected.
4. Best of the charts can be displayed in the classroom.

Check Your Progress

A. Fill in the blanks –

1. Receiving an export order is not difficult, but it is extremely difficult to _____ it successfully.
2. Letter of Credit is a _____ shipment document.
3. Inspection before shipment is a _____ shipment step.

B. Write short answers for the following-

1. List and describe Pre-shipment documents.
2. List and describe post shipment documents.
3. Write short note on Certificate of origin.
4. Write short note on Letter of Credit.

C. Write long answers for the following:

1. Explain the different stages of Export Procedure.

Session 3: Custom Clearance and Taxation

Liaising with customs and GST department

In India, central customs clearance is one of the procedures for exporting and importing goods. Since the central customs clearance procedures and export excise duty formalities may be reviewed from time-to-time, one should keep up to date with the central excise rules and regulations in terms of export of goods. Following are the different methods and procedures of the central excise clearance for the export of goods:

a) Centralized excise clearance procedure with duties in case of refund request (without examination)

With this method, the exporter pays the excise duty and clears the goods through customs without examination by the central excise officer.

b) Application to the tax authorities

Exporters can remove products for export on their own, without scrutiny by central tax agents. The exporter must submit three, four, and six copies of the ARE-1 application form to the central superintendent of excise duties within 24 hours after the shipment is received. He retains the original and duplicates to present with the shipment to the customs officer at the point of export.

c) Examination by the Central Excise:

The jurisdiction Superintendent of Central Excise reviews the information contained in ARE-1 and verifies the facts of payment of duties and other certificates / declarations issued by the exporter. After ensuring that the information in ARE-1 is true, exporter signs in the appropriate places on the four copies of ARE-1 as shown below.

(i) In triplicate: To the reimbursement sanctioning authority, that is Central Marine Excise Collector or Deputy Central Excise Commissioner as declared by the exporter in ARE-1. This copy, at the request of the exporter, can be

stamped and delivered to the exporter / his representative so that he may present it to the sanctioning authority for refunds.

(ii) Quadruplicate: To the Head of Accounting at the headquarters of the Commissioner ate.

(iii) Quintuplicate copy: Copy of the office to be kept by the central excise agent.

(iv) Sixth Copy: To deliver to the exporter.

d) Examination by customs authorities:

In this case, the customs authorities would invariably examine the goods, as the excise authorities have not examined the goods. The rest of the procedure is the same as that detailed in the previous procedure for the central customs clearance of excise duties upon request for reimbursement (with examination).

(e) Excise clearance procedure under bond / letter undertaking

The procedure according to this rule is similar to that of the refund request. This is governed by rule 13. According to this rule, there is no PLA (Personal Ledger Account) because no fee is paid. Instead of paying taxes, the exporter imposes a bond / letter of undertaking in an amount equal to the excise duty. The bond can be executed with or without surety. Such surety must be backed by the bank guarantee to protect the financial interests of the excise service. Exporters in the following categories can sign a bond and they do not need to provide a bank guarantee or a cash guarantee:

- The Super Star trading house
- Star Trading House
- Exchange house
- Export home
- Registered exporters (registered with the corresponding Export Promotion council)
- Manufacturers registered in the Central Excise Department.

(f) Letter of undertaking from the manufacturer-exporter

The manufacturer-exporter is not obliged to pay excise duties or to file the bond. The manufacturer-exporter can obtain authorization for the export

shipment by submitting a letter of undertaking. It is a good concession for the manufacturer who exports the products directly.

GST Procedure

Each exporter, regardless of their turn over, can register in the GSTIN in part A of the GST REG-01 form on the common portal.

According to the GST, the export of goods and services is treated as a zero-rate supply. This zero-rate supply allows the exporter to claim a refund of the GST paid for the inputs. The exporter has two options to request a refund:

- (i) Export under LUT (Letter of Undertaking) / Bond and request reimbursement of the accumulated input tax credit)
- (ii) Export on payment of IGST and claim refund thereof.

Customs Clearance: Regulations, procedures and documentation

Customs clearance of commercial merchandise is the process that involves the clearance of merchandise through customs barriers for importers and exporters. This implies the preparation of documents and / or electronic presentations, for the calculation and general payment of taxes and duties on products and services. To complete the customs clearance process, shipping documents are required, the type of documents required for import or export transactions generally depends on the type of goods you have. For a standard import or export transaction, a commercial invoice, quarantine packing statement, packing list, bill of lading, and certificate of insurance are generally required.

Regulations and Customs in India:

The Central Board of Indirect Taxes and Customs (CBIC) is the supreme body in customs matters.

Non-tariff customs barriers are as follows:

a) Import Licensing: Although India has removed its import licensing requirements for most consumer goods, some products such as motorcycles and vehicles still require import licenses.

b) Anti-dumping and countervailing measures: These measures are imposed by government to protect domestic manufacturers from ill effects of dumping.

c) Export subsidies and domestic support: Various export subsidies and other domestic supports are granted to various industries to make them competitive internationally.

d) Procurement: The Government of India allows a price preference for local suppliers in government procurement and generally discriminates against foreign suppliers.

e) Barriers to services: There are still restrictions for foreign companies to enter certain service-oriented sectors such as insurance, banking, securities, film, accounting, construction, architecture and engineering, retail, legal services, express delivery services and telecommunications.

f) Other obstacles: There are restrictions on equity capital and other trade-related investment measures to give an unfair advantage to domestic companies.

Customs duties and import taxes

The average tariff is around 15per cent. It is relatively high, but according to the WTO, India will slowly reduce it.

Customs clearance procedures for export / import to India

The procedure to obtain customs clearance or excise duties is classified into two categories:

(A) Customs clearance procedure with central excise duties for exempt units.

A manufacturing unit is considered an exempt unit if:

(i) Manufactured products are not subject to excise duties under the Central Law of Excise and Salt Taxes of 1944 and its regulations

(ii) The value of goods destined for domestic consumption called internal turnover, does not exceed Rs 50 in case of shortage of non-SSI units and Rs 100 in case of SSI units.

SSI- Small Scale Industry

Customs clearance procedure

Obtaining the central register of excise duties is not mandatory for exempt units. However, they are required to file a declaration with the central tax if their internal turnover exceeds the "specified limit", which is 10 Lakh Rupees less than the exemption limit. Therefore, the specified limit is 40 Lakh Rupees for a non-SSI unit and Rs 90 lakhs for an SSI drive. When the domestic turnover is less than the specified limit, it is not even necessary to file the declaration

The non-SSI unit is only required to file when its domestic business volume exceeds the Rs 90 lakhs limit. The return must be filed only once to obtain an exemption from registration. The exempt unit only needs to obtain the exemption letter from the central excise duty when the domestic turnover exceeds the specified limit.

The exempt unit must refer the exemption letter in the invoice. This invoice serves as evidence for central excise clearance. They do not need to obtain central customs clearance until it becomes a non-exempt unit. If a manufacturing unit fully exports its goods and has no domestic market turnover, it remains an exempt unit.

Customs clearance procedure for units other than exempted units

All manufacturing units that are not exempted units are eligible for central excise registration. These manufacturing units must obtain clearance from the excise authorities for shipment of goods and must pay excise duty prior to shipment. Now, the "duty of excise" has been replaced by the "Central Value Added Tax" (CENVAT).

Customs clearance Documents

Every commercial cargo, whether it is imported or exported, requires customs clearance. It has to clear specific customs barriers as outlined by the government. In this order some documents have to be submitted with the consignment. This helps concerned authorities to calculate taxes and duties that will be charged on the cargo.

The type of documents required for customs clearance usually depend on the type of goods being shipped, the country of origin and the destination of the cargo. There are a set of basic documents that are generally required by all, while importing or exporting goods.

Documents required for Exports Customs Clearance are:

- Pro-Forma Invoice
- Customs Packing List
- Country of Origin or COO Certificate
- Customs Invoice
- Shipping Bill
- Bill of Lading
- Bill of Sight
- Letter of Credit
- Bill of Exchange
- Export License
- Warehouse Receipt
- Health Certificates



Fig.: 2.5 Document required in export customs clearance

(a) Proforma invoice

The pro forma invoice indicates the predetermined quantity of goods or products for sale by the exporter. This information is generated in accordance with the general conditions agreed between the exporter and the importer by email, fax, telephone or in person. It is similar to a "purchase order", which is issued before the end of sales.

(b) Customs packing list

The customs packing list shows the list of items included in the shipment that can be verified with the proforma invoice. This list is shipped with the shipment and is especially helpful for shipping companies because they know exactly what is being

shipped. Customs packing lists are attached on the outside of each container to minimize the risk of exporting incorrect cargo.

(c) Country of origin or COO certificate

The Country of Origin Certificate is a declaration issued by the exporter that certifies that the goods shipped have been fully acquired, produced, manufactured, or processed, in a particular country.

(d) Customs invoice

A customs invoice is a mandatory document for any export trade. It contains information about the order, including details such as description, sales price, quantity, packaging charge, weight or volume of the merchandise to determine the import customs value at the destination port, freight insurance, delivery times and payment etc. The customs representative matches this information to the order and decide whether or not to forward it.

(e) Shipping Bill

A shipping bill is a traditional report which is served as a measurable record. This can be submitted through a customized online software system (ICEGATE). To obtain it; the exporter will need the following documents:

- GR forms for shipment to be sent to all countries
- Packing list (with various details such as information on content, quantity, gross and net weight of each package)
- Export permit
- Indent
- Acceptance of the contract
- Invoices (with all relevant information such as number of packages, quantity, price, correct specification of the merchandise, etc.)
- Purchase order
- Letter of credit
- AR4 and invoice
- Quality control exam or certificate
- Port trust document

(f) Bill of lading

The bill of lading is a legal document issued by the carrier to the shipper. It is proof of the transport contract of the merchandise mentioned in the invoice provided by the carrier. It also includes product information, such as the type, quantity, and destination to which the goods are transported. This invoice can also be treated as a shipping receipt at the destination port where it must be presented

to customs for customs clearance by the exporter. In case of theft of goods, the bill of lading is very useful.

(g) Bill of sight

The bill of sight is a declaration by the exporter made to customs in case the consignee is unsure of the merchandise being shipped. It allows the recipient of the goods to inspect them before making payments. The bill of sight is very important because it serves as a substitute document if the exporter does not have all the information and documents required for the entry letter.

(h) Letter of credit

The letter of credit is shared by the importer's bank, indicating that the importer will pay the exporter a specified amount to complete the transaction. The order is not shipped until the exporter has this letter of credit.

(i) Bill of exchange

The bill of exchange is an alternative payment option in which the importer must offset payments for the goods received from the exporter. It is similar to the promissory notes that banks or individuals can issue.

(j) Export license

Companies must have an export license to be able to provide customs to export the products. This is required when the exporter exports goods for the first time. This type of license may vary depending on the type of export. To obtain an export license, exporter must apply to the licensing authority, which is issued by the chief controller of exports and imports.

(k) Warehouse receipt

The warehouse receipt is generated after the exporter has settled all export duties and transportation costs after customs clearance.

(l) Health certificates

It is only applicable when it comes to food products. This certifies that the food in the shipment is fit for human consumption and complies with all rules and regulations, safety and quality standards, prior to export. This certificate is issued by authorized government organizations from where the shipment originates.

Although these documents are generally routine filings, additional documents may be required in some cases. For example: an industrial license, test report, insurance certificate, GATT statement, registration or membership certificate, documents related to tariff benefits, or centralized excise documents could be essential for certain types of imports.

Handle Duty Drawback Matters

Duty drawback is the refund of duties, certain taxes, and certain fees charged on the importation of goods. Applicants can recover the following duties, taxes and charges paid on imported merchandise:

- Regular duties paid on an entry

- Voluntary tenders of duties
- Marking duties
- Certain excise taxes
- Port maintenance costs
- Merchandise processing fees

The Duty Drawback of rights is two-fold:

- The All Industry Rate
- Brand rate.

- The All Industry Rate (AIR)** is an average rate based on the quantity and average value of inputs and tariffs (both excise and customs), service tax on the products. The rates for all sectors are notified by the government in the form of a drawback schedule each year.
- The Brand Rate of Duty Drawback** is allowed in cases where the export product does not have any AIR of Duty Drawback or the same neutralizes less than 4/5th of the duties paid on materials used in the manufacture of export goods.

Take care of Applications for Export Incentives

Export incentives are a form of economic assistance that government provides to firms or industries in order to help them to secure their foreign trading. A government providing export incentives often does so in order to keep domestic products competitive in the global market. Export incentives are provided to exporters as an acknowledgement for bringing in foreign exchange and to compensate for the infrastructural obstacles and costs that they face. India's Foreign Trade Policy (FTP) 2015-20 highlights various export incentives made available by the government through the Directorate General of Foreign Trade (DGFT). Incentives for export of services are covered under Service Exports from India Scheme (SEIS).

Types of Export Incentives

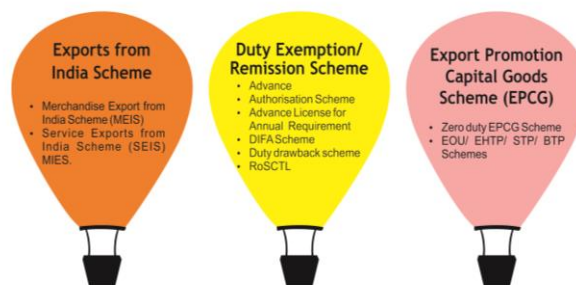


Fig.: 2.6 Types of Export Incentives

Here are some incentives commonly available under MEIS and SEIS:

- Under the export incentives, exporters will be able to file their pending claims from FTP 2009-14 during the FTP 2015-20 regime. This is known in FTP parlance as a ‘transitional arrangement’.
- Under the CENVAT credit/drawback rules, any additional duty or central excise duty paid in cash or through duty credit scrips will be adjusted as CENVAT credit or duty drawback. On the other hand, basic customs duty paid is adjusted as duty drawback.
- Exporters can utilise duty credit scrips on the payment of duty in case of import of capital goods under lease financing.
- MEIS rewards can be claimed either by the supporting manufacturer, along with a disclaimer by the entity realising the foreign exchange, or by the entity realising foreign exchange from overseas itself.
- Duty credit scrips are rewards offered under both MEIS and SEIS. These can be utilized to pay basic customs duty, additional customs duty, and central excise duties paid on domestic procurement. It can be utilized for payment of customs duties in case of Export Obligation (EO) defaults for authorisation, payment of composition fee and application fee under FTP, and for payment of value shortfall in EO.
- Status holder recognition is conferred on the basis of export performance, with export houses being rated from one to five stars. Status holders are eligible for various additional privileges. Double weightage is given to the following IEC holders in export performance calculation for granting status:
 - Micro, Small, and Medium Enterprises (MSMEs)
 - Manufacturing units with ISO/BIS certification
 - Units located in J&K and the North-Eastern state
 - Units located in agro-export zones

MEIS- Merchandise Export from India Scheme

SEIS- Service Export from India Scheme

FTP- Foreign Trade Policy

Activities

Activity 1:

Prepare a chart of Central excise and customs clearance documentation.

Materials Required:

- 1- Practical File
- 2- Coloured pens and pencils
- 3-Ruler
- 4-Eraser

Procedure:

1. Conduct a primary research and prepare a list of Excise related documents.
2. Conduct a primary research and prepare a list of Custom clearance related documents.
3. Prepare an interesting chart with this information collected.
4. Best of the charts can be displayed in the classroom.

Check Your Progress

A. Fill in the blanks –

1. In India, central customs clearance is one of the procedures for exporting and _____ goods.
2. _____ of commercial merchandise is the process that involves the clearance of merchandise through customs barriers for importers and exporters.
3. _____ is the refund of duties, certain taxes, and certain fees charged on the importation of goods.
4. Export _____ are a form of economic assistance that government provides to firms or industries in order to help them in secure foreign trading.

B. Write short answers for the following –

1. List the documents required for the custom clearance.
2. Explain Duty drawback in export business.

C. Write long answers for the following:

1. Explain Export Incentives.
2. Explain Duty Drawbacks

Module 3**Fundamentals of Trade Logistic as Applied in International Trade****Module Overview**

While running an import/export business, the importance of timely supply is one of the most important factors in the success of the organization. At the same time, it is also important to ensure that the products are delivered to customers safely, quickly, efficiently, and with the least possible cost. A logistics consulting company can also help an exporter in this regard.

The most valuable element of business is time. This means that there is no practical or logical reason that an exporter can waste it, in finding the safest, most efficient and cheapest way to ship the merchandise, whether through land, air or sea.

The importance of logistics in the import-export business is unarguably one of the most important aspects to the success of the organization. Often the best way to ensure efficient, accurate and robust delivery of the merchandise on time and at the same position domestically or internationally is to hire an outside logistics company.

Learning Outcomes

After completing this module, you will be able to:

- To Understand the logistics system.
- To Interpret and negotiate the logistics cost with different type of shipment mode
- To Know about the different types of containers

Module Structure

Session-1 Concept of logistics system

Session-2 Logistics costing and negotiation

Session-3 Shipment/cargo containers

Session 1: Concept of Logistics System

The elements of logistics help to explain what logistics activities and processes are being undertaken in a supply chain.

ELEMENTS OF LOGISTIC SYSTEM

There are five elements of logistics:

- Storage, warehousing and materials handling
- Packaging and unitization
- Inventory
- Transport
- Information and control

Logistics, stockpiling, materials handling and warehouses are prevalent:

- To allow the manufacturers to supply a steady stream of goods.
- So that manufacturers operate at peak efficiency,
- Consumers do not tend to demand goods at the same rate as they are supplied by a manufacturer.

There appears to be a supply gap, which is stable, and demand, which can be volatile. The response is to store the surplus products which a producer produce before customers need them, to do this, it needs factory buildings.

To transport them around the warehouse and load and unload vehicles, \ these requires specialized storage equipment such as shelving or racks and materials handling equipment.

Packaging and Unitizations:



Fig.: 3.1 7 R's of Logistics

The care and quality of a commodity is a key concept and one of the R's of logistics. Packaging is an important aspect of that. Unitisation is also essential because this helps in storage and transport. A cube is the easiest object to transport and store, so packing and unitization aim to take all the various product sizes and shapes and bring them into a cube form as similar as possible.

The inventory role:

Inventory is a logistics function which is closely related to warehousing and storage. It's about which stock to carry, where the stock is stored and how much to carry? In addition, inventory controls the movements of products entering and leaving a warehouse. This is done by looking at sales data from the past orders and using different mathematical and statistical methods it is determined that how much products buyers would order? Inventory management is not an empirical science but it is a valuable method to better control the movements of products across the supply chain based on demand estimation.

The role of transport:

A major element of logistics that most will recognize is transport. This includes all modes of transport including road vehicles, freight trains, cargo shipping and air transport. Without transport, goods would be unable to move from one stage to another within a supply chain. Some goods with short supply chains, such as foods, do not travel far. Other more complex products consist of many components that can be transported from all over the world.

Transport is a significant component of logistics. It covers all modes of transportation including road vehicles, trains and air transport. Without transport, goods inside a supply chain will not be able to travel from one point to the next. Generally perishable goods (which include food items) have short supply chain. Goods with larger shelf life can be transported to far distances.

CONCEPTS OF TRADE LOGISTICS.

Logistics is managing of movement of manufactured products and services from the point of origin to the spot of use so as to meet the needs of customers or business. Trade logistics require the combination of information, movement of products, inventory, storeroom, materials handling, packaging, and safety. Logistics is a guide to the supply chain which adds the value of time and place utility. The difficulty in production administration can be designed, evaluated, conceptualized and optimized

with the help of plant simulation software, (but the software are constantly changing), so, it needs frequent upgrade. In Apparel and Textile Industry many phases are needed to pass from raw materials to finished goods and then to reach at customers end within stipulated time frame, the logistics direction plays a crucial role in satisfying customers need and brings delighters in business circle.

The main fields are:

- Procurement Logistics
- Production Logistics
- Distribution Logistics
- After sales Logistics
- Disposal Logistics

Procurement Logistics:

Jobs like market study, requirements scheduling, making or purchasing decisions, dealer management, ordering, and order calculating are procurement logistic. The targets in procuring might be conflicting but one can maximize the efficiency by focusing on core competences, outsourcing while maintaining the sovereignty of the company, and minimizing the procurement costs while maximizing the security within the supply process.

Production logistics:

Within the apparel and textile industry, the term production logistics is used to describe movement of product under process. The goal is to ensure that machine and workstation is fed at the correct time, with the correct product, in the right quantity and quality. The transport is not the problem itself, but to make it more efficient and monitor process of value-addition and removal of non-value-adding processes is more important.

Logistics of the production can be extended to both existing and new plants.

Production at an accessible plant is a process which is continuously evolving . Existing machines are replaced and new ones are added, thereby, providing the opportunity to develop the logistics of production accordingly.

With decreasing batch sizes, logistics in production is becoming more important. A batch size of one is the short-term goal of many Textile industries, enabling efficient fulfilment of even the demand of a single customer. Tracking and tracing is also gaining importance, which is necessary part of precaution logistics for product safety and product authenticity issues.

Distribution Logistics

The main role of distribution logistics is the delivery of the completed products to the customer. It involves order processing, storing in warehouse, and transportation. Distribution logistics is required because there can be difference in time, place, and quantity of production as compared to time, place, and quantity of utilization of product.

After Sales Logistics

It involves return or replacement of product or its parts from consumer to distributor/ manufacturer.

Disposal Logistics

This is used to reduce logistics cost(s), improve service(s), and save natural resources.

Logistics management is the component of the delivery chain that schedules, executes and manages the reliable, effective forward and backward distribution and storing of excess goods, services and related information between the starting and the ending to fulfil consumer and legal requirements. A logistics-management specialist is called a logistician.

Logistics management is known by many names, the most common names are as follows:

- Materials Management
- Channel Management
- Distribution (or Physical Distribution)
- Business or Logistics Management
- Supply Chain Management

Third-party logistics:

Third-party logistics is comprised of various forms of logistics activities, getting done by other people, which were performed in-house earlier. If, for example, a company having its own storage facilities decides to make use of transportation and logistics facilities of an outsider, this would be a third-party logistics. Logistics is an upcoming business area in many countries.

Fourth-Party Logistics (4PL)

This logistic management is for the complete process. It involves a common service provider (4PL), who administers other 3PLs, transportation,

forwarding agent, custom house agents, and others, largely undertaking accountability of a complete process for the customer.

UNDERSTAND AND IDENTIFY THE BEST SUITABLE LOGISTICS AS PER BUYER'S STANDARDS

All transactions involving foreign trade have two main parties: buyer and seller. Depending on the side of the exchange one is standing on, have to see one's interests to look out for and defend, which means one should be going to deal under favourable terms for own party. Incoterm is mutual term under which the transaction takes place and must always be specified in any foreign commercial contract.

Incoterms are a compilation of pre-defined international rules issued by the International Chamber of Commerce that specify the contractual clauses that are to be used. In other words, they describe the conditions of cargo transport, including the varying degrees the of buyer and seller obligations.

Best Incoterms for buyers:

1. FOB: Freight on Board

Under the FOB Incoterm, the seller or exporter leaves the goods packed and ready for foreign transport at the port of origin. The exporter does all the formalities and paperwork. The customer or buyer will be responsible for employing the foreign shipping services. This gives full power to buyer of all expenses and schedules of delivery of shipment to the final destination. The advantage of this FOB is that it offers versatility to the buyer in selecting the service provider and can negotiate shipping route, time and rates. This Incoterm is most recommended for both importers and consumers.

2. COST, INSURANCE FREIGHT, (CIF)

Under CIF agreement, the exporter/seller bears all the costs, measure and freight charges of the exported merchandise to a port as mentioned in the sales contract. Seller is responsible for any damages and bears all the charges till the goods are loaded onto a transport ship. Thereafter the buyer becomes responsible for other costs.

Exact sales contract information will decide whether the responsibility for the products is passed from seller to buyer. In majority cases the duty of the seller ends until loading of the cargo is complete. A buyer can, however, specify that the seller is accountable before the goods enter a port of import, or even their final destination. Depending on the terms of the sales contract, the seller must pay the negotiated price until the products change hands,

and must also cover all further shipping, testing, and licensing costs.

Such usual costs include customs fees, taxes and goods transportation, to their final destination.

3. COST & FREIGHT, (CFR):

International transportation contracts often contain abbreviation of trade terms which explain terms such as the time and place of delivery, payment, the condition under which the risk of loss transfers from the seller to the buyer, and helps us to determine who is responsible for the costs of freight and insurance; the buyer or seller.

In case a buyer and seller agree about the costs and freight in seller's deal, the seller is required to arrange and pay for the cargo to be shipped to a port. The vendor must transport the goods, clear them up for export and load them onto the ship. The possibility of failure or injury is passed to the customer once the vendor loads the goods onto the vessel but before the main transport takes place. This clause means that it is not the responsibility of seller to obtain the cargo cover for loss or injury during transport.

Cost and freight is also known as an Incoterm, and it is an International Commercial Concept. The International Chamber of Commerce (ICC) publishes and periodically updates the collection of internationally recognized terms to promote foreign trade, helping to establish a framework for the terms of foreign trade contracts. International Commercial Terms are intended to eliminate misunderstanding by clarifying buyers and sellers' responsibilities such as shipping and export clearance responsibilities, and the physical point where risk moves from the seller to the buyer.

4. LANDED DUTY PAID

Landed Duty Charge, or LDP, is the final price a retailer or manufacturer pays for cross-border manufactured products, especially clothing. The price covers distribution, transportation, insurance, customs clearance and duties. Duty paid is well known beforehand, so a wholesaler has a clear idea of what to pay when the goods arrive at sea. There are nevertheless approximate elements of overall pricing. It is common for a wholesaler to make a sale before receiving the product within the wholesale industry. If this is the case, it is necessary to calculate an average LDP to determine a selling price which will be profitable.

What is the LDP cost?

The price of Landed Duty Paid (LDP) is the final amount charged by a client for the goods or the goods which they had made.

The LDP price includes all customs duties, storage, transportation and taxes as well as the commodity manufacturing fees.

Why is LDP important?

Keeping track of LDP costs help the firm remain productive as many of the relevant LDP expenditures are tucked away. Therefore, LDP must be measured to make sure a negotiated selling price to the customers is profitable.

Understanding the price of the Landed Duty Charged allows consumers to gain a sense of their production costs and allows them to compare the prices of producing goods in various regions and abroad.

The Landed Duty Price will also allow companies to compare the FOB or Freight On Board price, which means they will see the breakdown of the production costs versus the shipping, duty and taxes to import or approve their manufactured products.

How to calculate LDP?

Calculating LDP cost can be challenging. Come up with a price that is too low and you risk losing a lot of potential revenue. The estimate it too high, and you may lose out sales to your competitor.

A Landed Duty Paid can differ greatly depending on the tariffs, taxes, and distance, between the manufacturer and the local distribution centre.

The LDP can be calculated using this basic formula:

$$\text{LDP} = \text{customs} + \text{shipping} + \text{overhead} + \text{risk}$$

Customs: Each country has its own regulatory body which monitors trade within and outside its borders. The firm should make sure that the amount they have to pay for customs is reviewed with the local authorities.

Shipping terms: LDP shipping terms include costs such as printing, storage, handling, packaging and shipping.

Overhead: The overheads include additional expenditures such as exchange rates, procurement tariffs, due diligence costs, etc.

LANDED DUTY DELIVERY PAID (LDDP / DDP)

Delivered Duty Paid (DDP) is an understanding whereby, the seller supposes all accountability of sending the goods until they are delivered up to the destination. The seller organizes all transportation and related costs which include export clearance and customs documentation necessary to reach the destination port. The risks to the seller are large and include VAT cost and storage costs, if unforeseen delays occur. A DDP benefits a buyer as the seller bears most of the liability and costs for shipping. Seller is also expected to obtain the proper approvals from the authorities in that country. Also, the seller may need to acquire a license for importation. However, the seller is not responsible for unloading the goods.

The seller is responsible to provide the goods, draw-up a sales contract and related documents, export packaging, get export clearance, satisfying all import, export, and customs requirements, and for payment of all transportation costs along with final delivery to an agreed-upon destination.

The seller must provide proof of delivery and make payment of cost of all inspections and should inform the buyer once the goods are delivered to the agreed-upon location. In a DDP transaction, if the goods are damaged or lost in transit, the seller is liable for the costs.

Activities

Activity 1:

In a group of 5, choose 3 countries and imagine a merchandise to be exported to these 3 different countries. Discuss and identify the best logistics system for exporting the chosen merchandise to each of the 10 countries.

Materials Required:

1. Practical File
2. Coloured pens and pencils
3. 3-Ruler
4. 4-Eraser

Procedure:

1. Build a group of 5 classmates.
2. Choose 3 different countries of your interest.
3. Now choose imaginary merchandise which you can export to these 3 countries.
4. Study logistic procedures and export terms for all the chosen countries.
5. Based on the information, identify best logistics system for export to these countries.
6. Present your findings in class.

Check Your Progress**A. Fill in the blanks –**

1. _____ shipping terms include costs such as printing, storage, handling, packaging, and shipping.
2. FOB stands for _____.
3. CIF stands for _____.
4. CFR stands for _____.

B. Write short answers for the following –

1. What are the elements of logistics system?
2. What is the role of Freight forwarder?

C. Write long answers for the following -

1. Explain FOB, CIF and CFR.
2. Explain the role of transport in logistics.

Session 2: Logistics Costing and Negotiation

CHECK LIST OF PRE-SHIPMENT DOCUMENT

Pre-Shipment Export Documents and Concerned Commercial parties & Government Bodies/ Departments .Following are the documents which are required before shipping.

Sr. No.	Preshipment Export Documents	Exporter	Importer	EIA	Forwarder	Insurance Co.	Shipping Line	Customs	Port Trust	Chamber of Commerce	Bank	RBI	No.of Parties Concerned
1	Proforma Invoice	✓	✓	-	-	-	-	-	-	-	-	-	2
2	Invoice	✓	✓	✓	✓	✓	-	✓	-	-	✓	-	8
3	Packing List	✓	✓	✓	✓	✓	-	✓	-	-	✓	-	8
4	Intimation for Inspection	✓	-	✓	-	-	-	-	-	-	-	-	2
5	Cert. of Inspection	✓	✓	✓	✓	-	-	✓	-	-	-	-	5
6	Shipping Instructions	✓	-	-	✓	-	-	-	-	-	-	-	2
7	Insurance Declaration	✓	-	-	-	✓	-	-	-	-	-	-	2
8	Certificate for Insurance	✓	✓	-	-	✓	-	-	-	-	✓	-	4
9	Shipping Order	✓	-	-	✓	-	-	-	-	-	-	-	3
10	Mate's Receipt	-	-	-	✓	-	✓	-	✓	-	-	-	3
11	Bills of Lading/CTD	✓	✓	-	✓	✓	✓	-	-	✓	✓	-	7
12	Appln.for Cert. of Origin	✓	-	-	-	-	✓	-	-	✓	-	-	2
13	Cert. of Origin	✓	✓	-	-	-	-	-	-	✓	✓	-	4
14	Bill of Exchange	✓	✓	-	-	-	-	-	-	-	✓	-	3
15	Shipment Advice	✓	✓	-	-	-	-	-	-	-	✓	-	3
16	Letter to Bank for Negn./Collection	✓	-	-	-	-	-	-	-	-	✓	-	2
17	ARE-1/2 Form	✓	-	✓	✓	-	-	✓	-	-	-	-	4
18	Ins. Premium Certificate	✓	-	-	-	-	-	-	-	-	✓	✓	3
19	Freight Payment Certificate	✓	-	-	-	-	-	-	-	-	✓	✓	3
20	SDF//GR etc. Form	✓	-	-	✓	-	-	✓	-	-	✓	✓	5
21	Shipping Bill	✓	-	-	✓	-	✓	✓	✓	-	✓	✓	6
22	PT Copy of Shipping Bill/EA/DC	*	-	-	*	-	*	-	*	-	-	-	4
23	Vehicle Ticket	-	-	-	✓	-	-	-	✓	-	-	-	2
24	Receipt for Port Charges	✓	-	-	✓	-	-	-	✓	-	-	-	3

Fig.: 3.2 Pre-shipment Document

INTERPRET AND NEGOTIATE LOGISTICS COST WITH DIFFERENT TYPE OF SHIPMENT MODE

Basically, there are four types of logistics cost:

1. Inventory Management Cost

Inventory often contributes to supply chain logistics costs. The costs of poor inventory management can add up quickly.

2. Storage cost

Correct measurement of performance data is critical to managing storage costs. When a lack of warehouse metrics is combined with poor demand planning, it can lead to excess inventory (value) tied up in supply chains. This can be the result of poor forecasts, unexpected seasonal changes in demand, product recalls, etc. Whatever the cause, business needs a way to manage and track these fluctuations as they occur.

3. Cost of changing the mode of transportation

Another key area of logistics cost is transportation costs related to mode switching and execution. Every global supply chain has to deal with fashion change in one way or another, but it is becoming increasingly difficult for companies to keep these processes visible at all contact points in transportation and distribution. When inventory is not well managed (as detailed above), an undue burden is placed on the transportation part of the supply chain. For example: if a product is not available when a customer orders it, the seller may need to expedite shipping (ground to air) to make sure the product arrives on time.

4. Distribution costs

Distribution costs include moving inventory through distribution channels. Supplier efficiency, vehicle usage, planning, and processing times can all contribute enormously to logistics costs.

DIFFERENT TYPES OF SHIPPING MODES

All three shipping methods take the cargo and deliver it to its destination. A business owner can choose any of the modes of transportation to deliver their product based on various factors such as time consumed, types of goods to be shipped, budget, etc.

(a) Air shipment

In this mode of transport, airplanes are used to transport goods. It is without doubt the fastest means of transport. It is extremely useful as it is the most convenient way of shipping, but it is generally the most expensive compared to other modes of transport. It can deliver most items except extremely heavy

items that will not fit inside the aircraft. Products shipped by air freight are generally classified in the express shipping segment because the shipping speed is faster.

(b) Ground shipping

This type of shipment is one of the oldest forms of freight transport. It is the most useful when it comes to delivering goods within one country or across neighbouring borders. Trucks are generally used to transport goods by road because they have large spaces. This shipping method is comparatively cheaper than others. However, the merchandise may take longer to reach the final destination. Another form of land transportation is railways. It is cost effective and can transport larger loads across the country. Ground shipping is more suitable for heavy goods.

(c) Shipping by sea

Shipping must be done by sea for various purposes, such as military or commercial. It is the method used to transport comparatively larger quantities of products via freighters, where the goods are packed into containers and then the containers are loaded onto a ship. It is not suitable when products need to be delivered quickly.

NEGOTIATE LOGISTICS COSTS WITH DIFFERENT TYPES OF SHIPPING MODES

Logistics costs, including transportation, packaging, warehousing, inventories, administration and management, are a key element in the international supply chain. Controlling logistics costs allows companies to maintain a competitive advantage and countries to experience business growth, as lower logistics costs translate into competitive prices for exports and imports.

The reality of global competition is forcing companies to find new ways to reduce operating costs and optimize supply chains. These two factors are crucial elements in negotiating with logistics providers, whose main task is to track, transport and store the products of a company. The two parties define their relationship through the logistics services contract. The value of the agreement depends on how the two parties define their needs, as well as the legal and operational framework that governs their employment relationship. A business may have contracts, negotiated rates, or use general rates offered by the carrier. Transportation needs of the business are unique to the business and must be matched with the ideal carriers. Business need carriers, but carriers need firms more than business firms think. It has

trading leverage. To get the best rates, reduce expenses, and increase profits, follow these tips.

(i) Transportation procedures

Review transportation procedures before negotiating with any logistics provider. Issues to consider include the shipping volume the new agent will handle, according to "Inbound Logistics." Freight transport by air, sea or truck also makes a difference. For example, the administration may need to consider whether ocean shipments move as containers or as bulk cargo, which refers to goods packed in small, separable units. Answering these questions will help the sender determine the needs.

(ii) Define expectations

Successful relationships depend on defined expectations. With so many outsourced functions and services, it is essential that logistics bidders know exactly what the shipper needs. The sender must define its management, conditions for customs clearance, fleet management, payment or shipment of freight, transport and warehouse management. Better advance planning during the bidding process translates into a better contract.

(iii) Set the conditions

Resolving privacy rights, intellectual property and liability are just some of the aspects of negotiating a logistics services agreement. However, the definition of the operational relationship between the two parties is equally important, which is the task of the logistics manager. The definition of the operational side should include a description of both parties' responsibilities to each other, as well as the ordering process, payment and pricing terms, the specific scope of services, and guarantees or performance levels.

(iv) Manage the relationship

Once the logistics services agreement is signed, put an effective governance process in place. Governance refers to the methods and processes for managing the relationship to ensure that the provider is operating at an acceptable level. The logistics manager is responsible for incorporating key performance measures for the supplier into the agreement. These metrics can include a description of services, monthly operational reviews, and quarterly management and business reviews.

(v) Scope of services

Describing the scope of services is one of the most critical elements of any contract. Failure to fully describe these services may allow the logistics provider to fulfil its contractual responsibilities without meeting customer expectations. Other complications arise from different interpretations of how

materials is organized, received, stored, and tracked during the process. For these reasons, it is essential to create a complete description of the service that compensates for the deficiencies identified in the submission process.

(vi) Use your shipping volume to your advantage

The higher your shipping volume, the more leverage you'll have in negotiating better freight quotes, but exporters can negotiate better rates with low volumes. Carriers want everything they can do. They want to fill the empty space in their trucks, planes, and boats. Collecting historical volumes and other important information is much easier when you have a Transportation Management System (TMS) that can easily provide this information.

(vii) Look at the different shipping methods

Determine, if it is possible to switch to a different modal option that can help save money when negotiating with carriers. The different modes include Parcel (small package: FedEx, UPS, etc.), LTL (pallets), Trucks, Intermodal, Air and Sea. Collecting data on your shipments and intentionally researching other optional modes can help significantly reduce freight costs, as some modes are much cheaper. On the surface, many companies don't believe that switching modes is an option, but after looking at the data, you will find that it becomes an option that can save a lot of money.

(viii) Negotiate, negotiate, then negotiate some more

There are many things which can be negotiated: fuel costs, freight fees, contingencies, etc. Carriers' first deal may seem attractive, but don't rush. There is always a way to reduce the discounts they initially give you if you do your research. Don't be afraid to sign contracts with several operators. You really won't know if you were offered the best rates until you start listing the shipments and comparing the rates with each carrier. Having a TMS that provides you with quotes from all your operators on one screen will be crucial in this process. Once you see who offers the best rates, you can renegotiate with the operators even after you have signed a contract.

(ix) Don't make empty promises

Carriers may attempt to charge you a hidden fee when your business falls short of the shipping volume it originally offered. In the event that you have a dead year and the shipping volumes are not as high as you expected, you may face additional charges for not delivering on what you originally promised to shippers. In your RFP, make it clear that you are not making any volume commitments. Also inform the operators that they will compete with other operators. Play them to each other. Don't tell them exactly how far they are from the lowest cost, but let them know that they are not the lowest and that they need to lower their rates to be their first choice. Make sure

they know that you have a TMS that compares the fares of all your airlines, including theirs, and ranks them based on the lowest price first. They will be more motivated to offer you better rates.

What your RFP should include:

- Background: Describe your business and the reason for the request for proposals.
- Overview: Type of products you ship, customers, delivery method, mode and range.
- Objective: Define what you need and what you don't need, not what you want.
- Terms of the request for proposal.
- Contract period.
- Price: ask them to provide it.
- Delivery Guarantee: What guarantee or refund will the carrier provide for damaged or lost deliveries?
- Data: Provide a 2-6 months shipping history at no cost. The more summaries of your shipping history you can provide to the carrier, the better information it will be for better rates. A TMS that organizes this information into various reports for carriers facilitates this process.

RFP- Request for Proposal

TMS- Transportation Management System

Activities**Activity 1:**

Group Discussion on various forms of logistic cost and prepare a cost sheet using various forms of transportation modes i.e. land, air and sea.

Materials Required:

1. Practical File
2. Coloured pens and pencils
3. 3-Ruler
4. 4-Eraser

Procedure:

1. Gather in a group and discuss the various form of logistic cost.
2. Prepare the cost sheet using various forms of transportation.
3. Present the findings in the form of a report in the practical file.

Check Your Progress**A. Fill in the blanks-**

1. Inventory Management Cost, Storage cost, Cost of changing the mode of transportation, Distribution costs are four types of _____ costs.
2. Air, Ground and Sea are different types of _____ modes.

B. Write short answers for the following-

1. Prepare a list of logistics costs.
2. What are the different types of shipment mode?

C. Long Answer type Questions-

1. Explain the different types of logistic costs.
2. Explain the different types of shipping modes.

Session 3: shipment/Cargo Containers

GENERAL TYPES OF CARGO CONTAINERS USED IN EXPORT

Various containers are used in the shipping industry for the transportation of goods and products. It is very important to know which container is the best suited for each shipment's specific needs.

i. Dry storage container

Dry storage containers are some of the most common containers used in the shipping industry. They are available in 10, 20, and 40 feet lengths. They are used to transport dry goods. These containers do not allow temperature control, so they are not suited for moving food or chemicals that require refrigeration. These standard dry cargo containers are completely sealed off and water resistant.

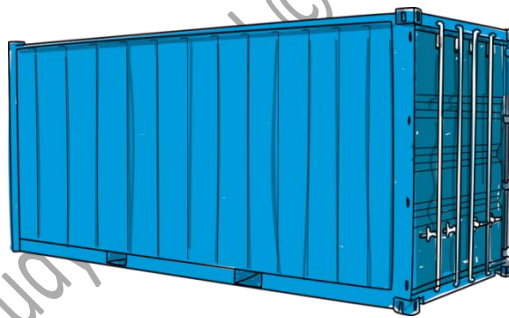


Fig.: 3.3 Dry storage container

ii. Flat rack container

A flat rack container has no top and has only two sides. This makes room for heavy loads to be set on the rack from above or from the side. Most flat rack containers are either 20 or 40 feet long, and they are made from steel. Some flat rack containers are collapsible, and some come with additional walls that can be attached to the frame.

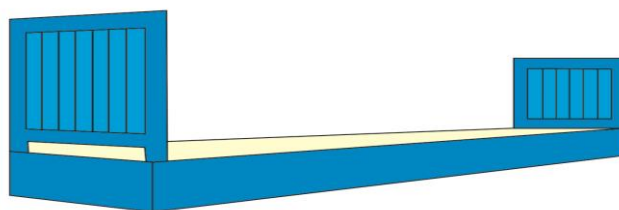


Fig.: 3.4 Flat rack container

iii. Open top container

An open top container has an open top. This allows for easy loading of bulk cargo. There is a roof structure that can be secured to the container with ropes, and it provides protection against rain. Dry cargo can be transported in Open Top Containers. Normally the wall Open Top containers are manufactured in steel. However, the floors are made with wood.

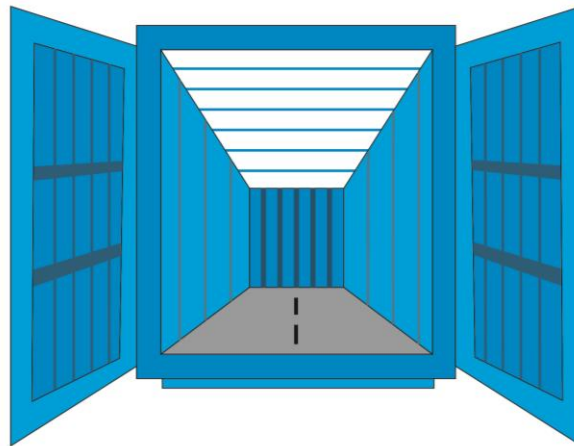


Fig.: 3.5 Open top container

iv. Tunnel container

A tunnel container is set up much like a tunnel, with doors on the front and back for easy access. This improves the efficiency of loading and unloading the container because workers can get in from both sides. Standard dry storage containers only have a door on one side, similar to a storage unit in a local storage facility.

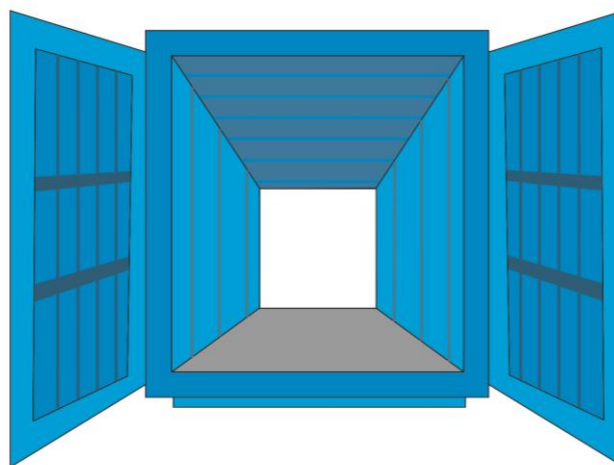


Fig.: 3.6 Tunnel container

v. Open side storage container

An open side container has one long side that can completely open. This is beneficial for wide merchandise that may be difficult to get through the end of a tunnel container or dry storage container. The side swings open as if it was made of two large doors, but it can still be secured to protect the merchandise inside. It has two sets of double doors at the lengthy side. Such two doors are arranged to open the entire length of the container. The side doors are manufactured to open either eight feet opening or twenty feet opening for a 20' container as per requirements.

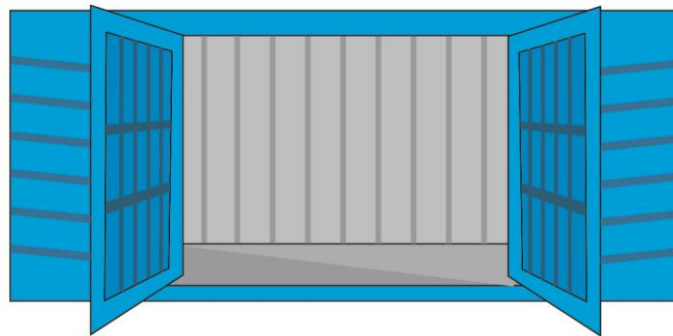


Fig.: 3.7 Open side storage container

vi. Double door container

Double door containers also have two doors, one on the end of the container and a large one along the side of the container. Much like a tunnel container, this style offers extra convenience when it comes to loading and unloading the container. The containers are made in 20 and 40 feet lengths, and they are typically constructed with steel or iron.

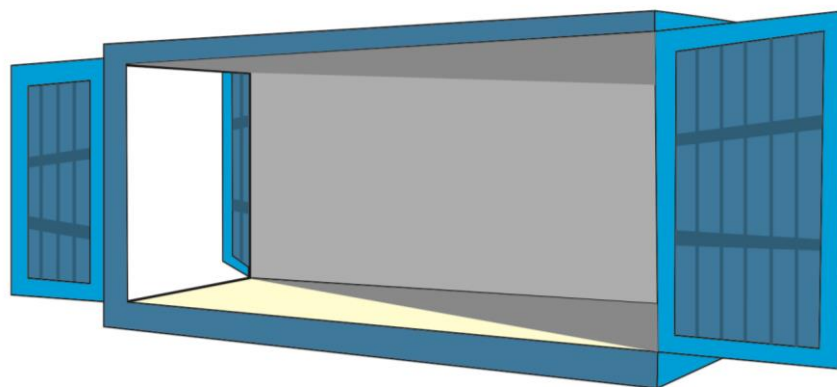


Fig.: 3.8 Double door container

vii. Garment on Hanger Container

Garment on Hanger (GOH) (also known in certain circles as Hangtainer) containers are standard/dry containers that are converted/outfitted to be able to safely and conveniently carry garments on hangers. The garment on hanger (GOH) container is designed to meet the needs of apparel shippers. Available in 20 feet and 40 feet lengths, GOH container hold apparel in a secure and easily transportable manner. Hanger Containers are used to load high-class clothes. It is a traditional fitment without alteration; connect the racks and poles by screws and nuts. The plastic cloth covers all inner sides, dryer hanged on every pole, it is a dustproof portiere.

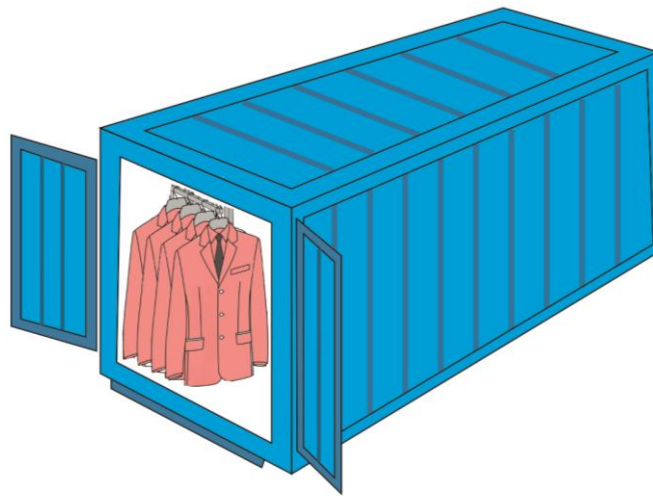


Fig.: 3.9 Garment on Hanger Container

Activities

Activity 1:

Collect pictures of different types of containers, paste it on a file and name them.

Materials Required:

- Practical File
- Coloured pens and pencils
- Ruler
- Eraser

Procedure :

1. Search and collect the data and pictures of different types of containers.
2. Place the pictures in the practical file.
3. Write the names and description for the same.

Check Your Progress**A. Fill in the blanks:**

1. _____ containers are used to transport dry goods.
2. A _____ container has no top and has only two sides.
3. An open top container has an open _____.

B. Write short answers for the following –

1. Explain different types of cargo containers used in export.

Module 4**Maintaining a Clean and Hazard Free Working Area****Module Overview**

All industries have different type of tools, equipments and machineries, while operating machines, there is always a risk of hazard., Therefore workers and employees must follow all precautionary measures and safety instructions, while handling of tools and machines. They should also understand the importance of maintaining a clean and hygienic work environment. Improvements in working conditions can result in increased productivity and operating efficiency.

In an apparel industry, an efficient process of manufacturing, distribution and transportation will lead to enhanced customer service, reduced inventory cost and further reduce/shorten the delivery time.

There is a variety of manual, semi-automated and automated materials handling equipment and technologies available to aid in the movement, protection, storage and control of materials and products throughout manufacturing, distribution, consumption, and disposal.

While we design a materials handling system for an industry, it is important to understand and refer to the best industrial practices to ensure that all the equipments and processes including manual, semi-automated and automated in the industry work together as a unified system. By analyzing the goals of the materials handling process, aligning and using them as per guidelines of materials handling and Waste Management will improve customer services, reduce inventory & delivery time, and lower overall handling costs in manufacturing, distribution and transportation.

Learning Outcomes

After completing this module, you will be able to:

- Operate and handle tools, material
- Organize and store material safely and correctly
- Identify Proper Storage and Disposal Of Waste Material
- Identify and list different cleaning substances and equipment
- Personal hygiene and health

Module Structure

Session-1 Material handling, cleaning and maintenance of tools

Session-2	Safe and correct storage of material
Session-3	Guidelines for proper storage and disposal of waste material
Session-4	Use of different cleaning substances
Session-5	Personal hygiene and health

Session 1: Materials Handling, Cleaning and Maintenance Of Tools

HANDLING TOOLS AND MATERIALS SAFELY AND CORRECTLY

By reducing, combining, or eliminating unnecessary movement, materials handling processes can be simplified. For example, use of gravity to help in movement of materials with minimum manual force. The following points should be considered:

1.Ergonomics: The working conditions/facilities should be adapted to support the abilities of a worker, helps in reducing repetitive and strenuous manual labor movements and also emphasize on safety practices. Moreover the work area should have plenty of space for the task to be accomplished, should be clean and ventilated.

2.Unit load: One must ensure that fewer efforts are required for movement of individual items as they should be carried together as a single load instead of moving many items one at a time. Thus, equipment such as pallets, containers or totes of items—should be used.

3.Space utilization: We should focus on maximizing efficient use of space within a facility. It is important to keep work areas organized and free of unwanted clutter. We should try to maximize density in storage areas without compromising accessibility and flexibility, and to utilize overhead spaces efficiently.

4.System: All the movements of packages and storage should be coordinated throughout the production cycle i.e. from receiving, inspection, storage, production, assembly, packaging, unitizing and order selection, to shipping, transportation and the handling of returns.

5.Environment: We should take into consideration the use of energy and its potential environmental impact while designing the system and including/implementing the practices of reusability and recycling processes wherever possible. We should also try to incorporate safe practices for handling of hazardous materials.

6.Automation: Automation should be introduced to improve operational efficiency, responsiveness, consistency, predictability, automated materials handling technologies as and when feasible/possible and where they are required and make sense.

Tools that are mostly used for the purpose of Export Assistant's job are as follows-

1. Hand Scissors
2. Vacuum Cleaner is used for cleaning purposes.
3. Trolleys for loading and unloading of materials.
4. Racks of various kinds such as drive in rack, push back rack, sliding rack, pallet rack etc.
5. Shredder for disposal purpose
6. Measuring tapes
7. Markers, Highlighters and Calculators
8. Computer and its peripherals – These are used for export documentation, communication with buyers & transport agents etc.
9. Trash cans/Dustbins
10. Counting Scale
11. Fork Lift



Fig.: 4.1 Fork Lift



Fig.: 4.2 Counting Scale

Care should be taken of the following points for proper handling of materials and tools :

- Fewer and more efficient lifting operations. Don't lift loads higher than necessary. Use correct lifting and handling procedures. Make lifting more efficient and safer.
- We should move materials and perform tasks at safe, comfortable, and working heights.
- Make transport and handling operations fewer, shorter, and more efficient.
- All the passageways should be clean and clearly marked.
- Ensure that the correct machine guards are in place for safety of workers.
- All materials and tool should be handled safely and correctly as per the standard operating procedures.
- Use jigs and other mechanical devices to save time and effort.

CLEANING AND MAINTENANCE OF TOOLS

Regular cleaning and maintenance of tools goes a long way in increasing the life and efficiency of tools. Thus, the output or quality of work is also ensured if we take care of our tools and equipment.

High levels of dust interferes with efficient production and requires cleaning and maintenance operations that may otherwise spoil materials and finished products. Proper cleaning procedures and maintenance protocol is an immediate, low-cost measure to enhance overall cleanliness, consistency and contamination control within workstations. The best practices should be followed with application of specific techniques of wipe down and particle control. Some of the most common contamination include solid dust, liquid, bacteria, fungus, human skin cells and hair, spills and leaks, lint, fibers, etc.

Improved conditions usually mean increased output, higher productivity and quality. There are simple and inexpensive ways to control most of the environmental problems. Maintenance of tools often result in cost savings, productivity benefits and increased safety of workers.

Points to be considered to clean and maintain the tools are as follows :

- Avoid leaving scissors, counting scale and other tools on the floor to avoid any damages or accidents.
- Keep all the tools and materials at their designated places. Make use of racks, shelves which are properly marked for this purpose.
- Keep the workplace free of any unwanted materials like empty cartons, bins ,etc.

- All the storage equipments such as racks, shelves, bins etc. should be cleaned and disinfected regularly.
- Ensure regular cleaning and checking of all the tools after every use.
- Keep all the tools and materials back into their covering after use. This will not only prevent them from dust but will also prevent any accidents or injuries.
- Allocate proper space for export operations such as receiving and issuing of materials and goods.
- Provide a fix and clean space for each tool and work item and ensure keeping each tool at its designated location after use.
- A regular system of inspecting, cleaning, and repairing, is an essential part of cleaning and maintenance of tools.

Activities

Activity 1:

Visit an apparel industry and prepare a report on different types of tools and equipment by an export assistant and write about its maintenance and cleaning method used.

Materials used:

1. Register/File
2. Pens and pencils
3. Eraser
4. Ruler

Procedure:

1. Visit an apparel industry.
2. Study the tools and equipments used an export assistant and its cleaning and maintenance methods.
3. Prepare a report and submit the same.

Check Your Progress**A. Fill in the blanks –**

1. processes should be simplified by reducing, combining, shortening or eliminating unnecessary movement that will impede productivity.(Materials handling)
2. Work area should have plenty of space for the task to be accomplished and should be and
3. We should move materials and perform tasks at, and working heights.
4. We should keep all the and at their designated places.
5. A regular system of inspecting, cleaning and repairing is an essential part of and of tools.

B. Write Short Answers for the following–

1. Mention any four points on how to handle materials and tools properly.
2. Mention any four points to be considered to clean and maintain the tools.

Session 2: Proper Usage of Materials to Minimize Waste

Some amount of manufacturing waste is always generated in almost every factory or manufacturing unit. Thus, it becomes mandatory to establish and implement practices for minimizing waste generation. Different production processes in apparel and textile units such as washing/drying, warp preparation, weaving, dyeing, printing, finishing, quality control, and warehousing etc. result in waste-generation. Some types of commonly observed wastes in textile and apparel industries include fabric scraps, chemicals, untreated dye solutions, finishing agents, cutting, and stitching waste etc. Wet finishing processes use up to 200 litres of water per kilogram of fibre. Thus the largest chunk of waste in this sector is water (as per volume).

Wastes in apparel manufacturing facilities include waste from overproduction, defects, inventory, unnecessary motion and transportation. This waste generated in a store can be minimized in the following ways:

1. Efficient Inventory Management

One can reduce manufacturing waste, by controlling the excess/not required materials being used in the manufacturing process. Inventory should be managed efficiently and only required quantity of raw materials should be procured to minimize wastage.

2. Reduce Packaging Materials

Product packaging may be redesigned to ensure that minimum amount of materials are used. Incorporation of reusable or recyclable packaging content should be incorporated for packaging.

3. Reuse

Reusable materials should be returned to the store of an export house. These should be properly marked and kept so that they can be issued for future use. For example : Unused/ Extra cartons, tape, polybags etc. from one production cycle should be returned to store department for use in next production cycle.

4. Establish a Preventative Maintenance Schedule

Regular maintenance in the workplace goes a long way in preventing the materials getting perished and degraded. It is more beneficial to control the costs to prevent a breakdown instead of reacting to a breakdown later. Thus,

the export house should have a preventive maintenance schedule for keeping the export department clean and minimizing waste generation.

5. Label and Organize the Workplace Properly

All the locations of inventory, tools, supplies, and assets necessary to manufacturing processes must be clearly marked throughout the warehouse. This may result in decreased time being spent on searching for the right tool needed for an urgent repair. One should always replace the faded tags and repaint the floor lines regularly.

6. Volume Reduction

Volume reduction refers to the segregation techniques that remove the hazardous portion of waste from the non-hazardous portion. These methods help in reducing the volume and the cost of waste disposal.

7. Minimize Water Usage

Industrial sludge and wastewater make up a significant portion of manufacturing waste streams. One can reduce these elements by minimizing water usage in the operations like dyeing and finishing processes. Install a treatment system to recycle waste water. We should also encourage employees to cut down on drinking water from plastic water bottles as they add up to major portion of plastic waste generated. Switch to drinking water in glasses or promote the use of reusable bottles in the workplace.

8. Volume Reduction

Volume reduction refers to the segregation techniques that remove the hazardous portion of waste from the non-hazardous portion. As a result of using volume reduction technique, there is a considerable reduction in the volume and the cost of waste disposal. They can be broadly divided into two categories — waste concentration and source segregation. The former may increase the likelihood of the materials being reused or recycled and the latter consists of different types of materials within the waste being treated separately so that the cloth value in the bulk can be recovered.

DISPOSAL OF WASTE AT DESIGNATED LOCATIONS

The requirement for an efficient and effective waste management is motivated by the increasing cost and decreasing availability of natural resources. It helps in reducing input and waste disposal costs, improves environmental performance and becoming more competitive. Disposal of waste at designated location is of utmost importance as if the waste is not packaged and transported safely, hazardous materials may leak or spill and

cause harm to factories, industry workers, transportation workers, communities involved in these work and the environment.

We should follow the following ways of waste disposal –

- The types and amounts of hazardous wastes such as expired dyes, auxiliaries in the export house should be identified and segregated and the waste disposal method for each category of waste should be determined.
- Sorting of waste make sure that the recyclable items are put to correct use and not go in waste. The responsibility of keeping a track of the bins and finding a feasible solution for elimination, reduction or reuse of the waste generated should be carefully assigned to selected employees and workers and there should also be clear cut policy for this.
- Hazardous and non-hazardous wastes should not be mixed. Disposal of hazardous waste that cannot be treated or recycled should be done at a secure, permitted and designated place which has no access to the general public or any unauthorized personnel.
- Industrial shredders can be used to reduce waste generated by the production unit like damaged cloth materials, wood, rubber, and plastics to a fraction of their original size. The shredded waste can be further utilized for various purposes like CSR (Corporate Social Responsibility), filling for mattress and pillows etc.
- Bins/Containers containing waste should always be kept covered only except when workers are transferring hazardous waste into them.
- Fabric waste from checking, cutting and sewing departments should also be stored at a designated area and should be disposed as per the disposal schedule.
- The benefits of reducing the volume of solid waste generated at a factory includes a positive effect on the environment, an economic advantage to the industry and better community relations.

Activities

Activity 1:

Visit an apparel industry and study their methods and ways of waste disposal and prepare a report on the same.

Materials used

1. Register/File
2. Pens and pencils
3. Eraser
4. Ruler

Procedure

1. Visit an apparel industry.
2. Study the methods and ways of waste disposal.
3. Prepare a report and submit the same.

Check Your Progress**A. Fill in the blanks –**

1. We have to ensure that machinery, equipment, tools and materials are stored safely, have....., are safe to use and are regularly tested for their safety standards. **(Safety guards)**
2. Savings in results in easy accessibility to work items and tools, and improved inventory control.**(Floor Space)**
3. at designated location is of utmost importance as if the waste is not packaged and transported safely, hazardous materials may leak or spill and cause harm to the environment.
4. The types and amounts of hazardous wastes generated should be and and the waste disposal method for each category of waste should be determined.
5. The benefits of reducing the volume of solid waste generated at a factory include a positive effect on the environment, anto the industry and better.....

B. Write short answer for the following -

1. Explain any five ways of disposal of waste at its designated location.

Session 3: Guidelines for Proper Storage and Disposal of Waste Materials

What will happen if you don't empty the dustbins in your house for a month? The waste will start to spill and overflow from the dustbins, it will give foul smell and the waste will also attract rodents and insects. Now, imagine same situation in a factory, let's say any apparel factory. Lot of fabric pieces, threads, empty cans and bottles, packaging materials, chemical, etc. is generated as waste in these factories; if all this is not emptied regularly, it will start spilling over to work areas and give a foul smell. Also, some of the chemical waste is hazardous which can cause dizziness, irritation of eyes and may also result in fire hazards or accidents. The debris of waste if not disposed-off properly and timely may cause employees to trip over and fall, or catch fire or get caught in machines and result in interrupted work cycle.

Apparel production involves converting raw materials such as fabrics, buttons, etc. to finished apparel items or garments such as kurta, tops, trousers, shirts, skirts, etc. Apparel manufacturing companies thus have different departments such as cutting department, sewing department, store department, fabric checking or fabric inspection department. Any production process, apart from producing useful products, also results in generation of waste materials and apparel production process is no exception to this. Every department in apparel manufacturing unit generates its own waste. This waste is in the form of fabric scraps, loose threads and fibres, chemicals such as dye paste / dye solution, auxiliaries, detergent and enzyme solutions of different kinds, polythenes and labels, papers. etc.

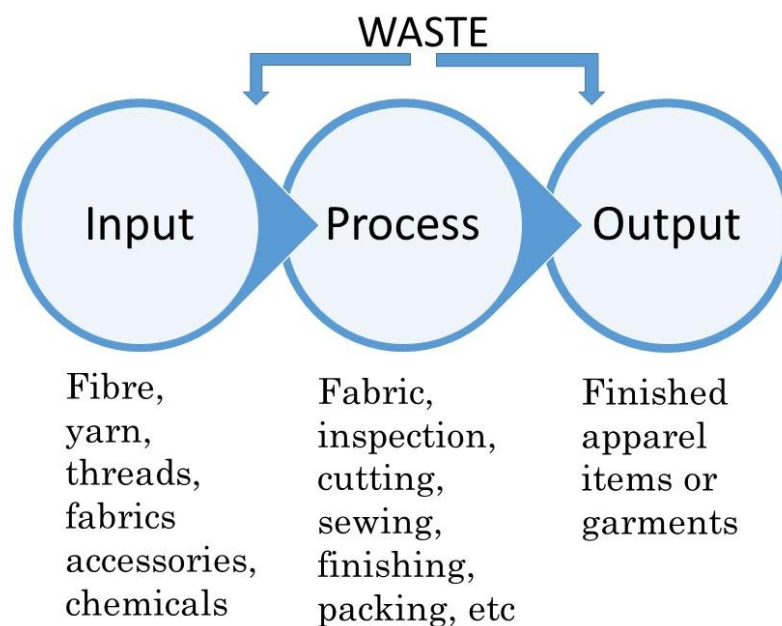


Fig.: 4.3 Production Process

Now, the raw materials such as leftover yarn, fabric, accessories, can be recycled and turned into various other products such as mattress and carpet lining, etc. However, most chemical materials is harmful to workers and to the environment.

Let's have a look at some of the chemicals used in the apparel production:

- ❖ Chemicals used for maintenance purposes, such as machine oils and cleaning products
- ❖ Chemicals used as fuel for machines and equipments.
- ❖ Chemicals used for washing, dyeing, and fabric treatment, etc..
- ❖ Chemical used in housekeeping and maintenance of the premises.

FACT SHOTS:

Textile and apparel industries come second in the list of most polluting industries and are a major source of waste.

Thus the waste materials needs to be disposed off carefully because not only is it hazardous but it also makes the surroundings and premises unhygienic unsafe.

WHAT IS WASTE?

Waste, also called trash, garbage, junk, etc., it is generated during the production process and is unwanted materials with no direct use. Waste cannot be used for further production, transformation, or consumption. It has no further use or value. Waste is perceived to be a problem because most of it is harmful to human health and environment, occupies space, and has no utility.

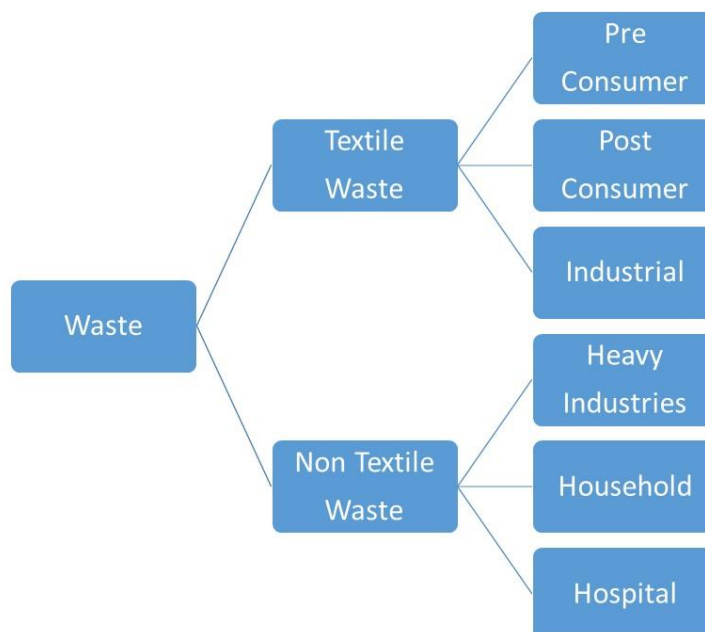


Fig.: 4.4 Waste & its Type

WHAT IS TEXTILE WASTE?

Waste generated by textile and apparel companies is called textile waste. It can be fibres, yarns, or fabrics. Fabric scrap, threads, packaging materials of fabrics, accessories, and chemical wastes are the main waste materials generated during the apparel production process.

Different departments generate a variety of waste products as a result of their activities.

WASTE GENERATED IN EXPORT HOUSE:

The waste generated includes the following:

- Empty Cans of expired chemicals and solvents used for cleaning, oiling, and maintenance of various machines.
- Empty cans of chemicals for spot removal of stains, dyes, auxiliaries, etc.
- Leftovers, cleaning agents, detergents, and their empty packing.
- Rejected fabric rolls, finished or semi finished items, readymade garments etc.
- Packaging waste such as empty cartons, packaging boxes, polythene, labels, twin tape, brown tape and other packaging materials.
- Broken and degraded items.
- Paper waste.

GUIDELINES FOR STORAGE AND DISPOSAL OF WASTE MATERIALS:

A systematic approach has to be followed for the storage and disposal of waste materials in apparel manufacturing industries so that they don't pose a threat to humans and the environment. Compliance managers, site supervisors as well as shop floor workers, everyone needs to be very careful while dealing with factory waste, especially chemical waste.

Waste needs to be segregated, stored, and then disposed-off. Disposal of the waste should be done on a pre-planned basis and in a scheduled manner like a daily, weekly, or monthly basis as requisite.

Waste disposal forms a primal component of the management of every corporation, as it is governed by health and environment legislation. All this comes under waste management.

Indiscriminate disposal of these wastes into the environment without proper treatment could lead to frightening environmental repercussions and could lead to pollution of river water, land, and groundwater resources. Various precautionary measures are required for the handling of hazardous wastes generated in the industry.

SAFE DISPOSAL OF WASTE MATERIALS AND RETURNING REUSABLE MATERIALS:

Since, the waste materials is not only hazardous to human health but also to the environment. Hence, before the disposal of the waste, it must be classified and then acted upon respectively.

To classify the waste, the following things have to be kept in mind:

- Is waste biodegradable or not?
- Can it be recycled or reused?
- Does the waste require any treatment before disposal?

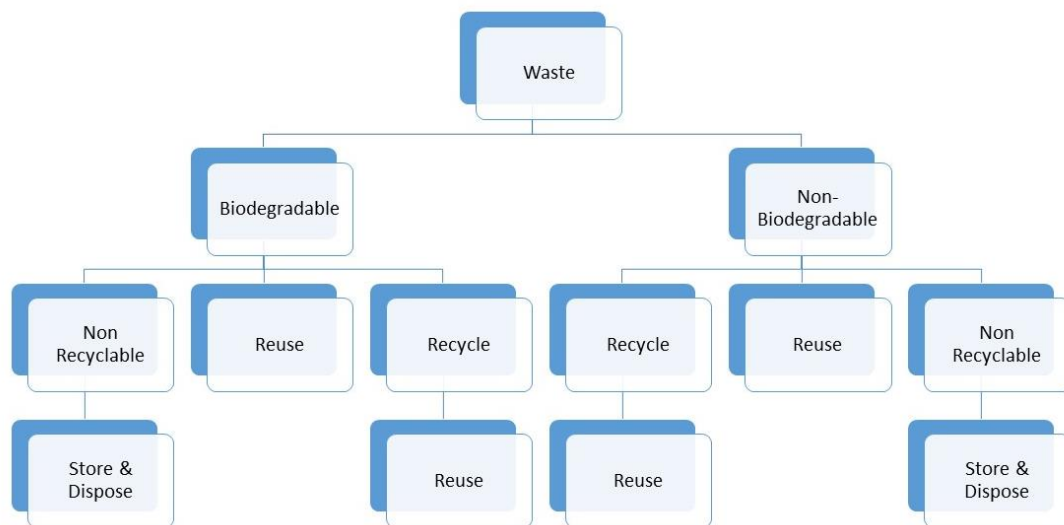


Fig.: 4.5 Classification of the Waste on the basis of Recyclability

As it can be seen in the Fig.:ure above, some of the waste generated cannot be immediately disposed-off, and hence, it needs to be collected at a designated spot before disposal.

The various guidelines for safe storage and disposal of waste are as follows:

- Staff needs to be adequately trained
- Clear demarcation of the designated spot
- Restricted entry at the spot
- Set a defined process for cleaning and storage
- Specific time allocation in the working hours

Once the waste is stored at the designated spot, it must be recycled keeping in mind source, condition, composition, and resale value. This is referred to as Textile Recovery and Recycling.

Efficient and effective disposal of waste requires paying attention to safety measures along with ensuring no spillage of the same.

The methods of Waste Disposal apart from recycling are as follows:

- Disposal at Landfills
- Incineration

Since, the above-mentioned procedures again lead to a vicious trap, whereby, they further lead to health hazards by entering the food and water cycle. Hence, the norms laid under the legislation guide us to follow the 3R(s) model.

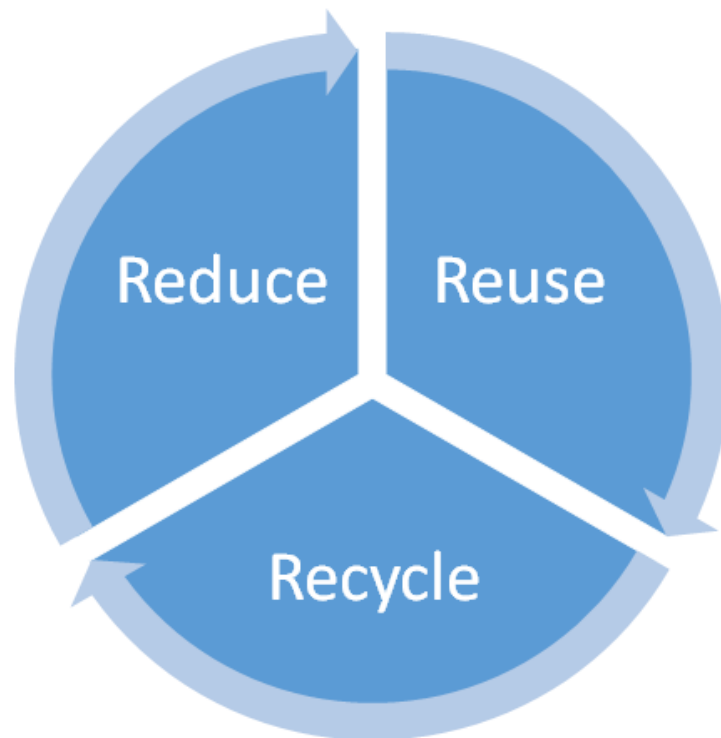


Fig.: 4.6 3R's of Waste Management

RESPONSIBILITIES UNDER HEALTH, SAFETY, AND ENVIRONMENTAL LEGISLATION

Environment health and safety is a primal tool in reducing and preventing health issues, emergencies and accidents at work, together with any environmental damage which could consequence from work practice. Hence, it consists of all processes, guidance, rules and laws structured to help protect the environment , the public and employees from harm.

The focus of the EHS (Environment, Health and Safety) is to reduce carbon footprint of business and manage waste keeping in mind the general safety and health of the workers by providing a healthy and safe working environment.

The motives behind having an Environmental, Health and Safety discipline in place are as follows:

- Protection of workers from various hazards and natural environment

- Strict compliance and adherence with regulatory standards and legal requirements
- To improve the moral of the workers, thereby, increasing profit and productivity in the long run.

EHS-Environment Health and Safety

EHS departments also supervise an array of hazards which include heavy machinery, height falls, carcinogens exposure, and ergonomic hazards.

As the Environmental, Health, and Safety Legislation play an important role in the overall management of the organization by the provision of a safe working environment to ensure an increase in both profits and productivity in the long run. Hence, there are several responsibilities of the legislation:

- To ensure proper implementation of laws and regulations.
- To ensure development and implementation of all safety and health programmes in the company.
- To ensure that right protective measures are applied to ensure workers safety .
- To lower injuries risks by supervision of dangerous procedures.
- To ensure timely communication of hazards by having systems in place.
- To review and align environmental policies from time to time, advocating progress in all arenas.
- To design and develop a book of general safety rules.
- To ensure proper training of workers on the use of their respective working machines, equipment or chemicals.
- To enable proper inspection of equipment before use and proper maintenance.
- To perform risk assessment at the workplace.

POTENTIAL HAZARDS ASSOCIATED WITH THE MACHINES AND THE SAFETY PRECAUTIONS:

The primary role of the Environmental, Health and Safety legislation is to prevent hazards that affect not only health of the workers but also the environment, hence, it is necessary to understand the types and nature of hazards. The various hazards are as follows:

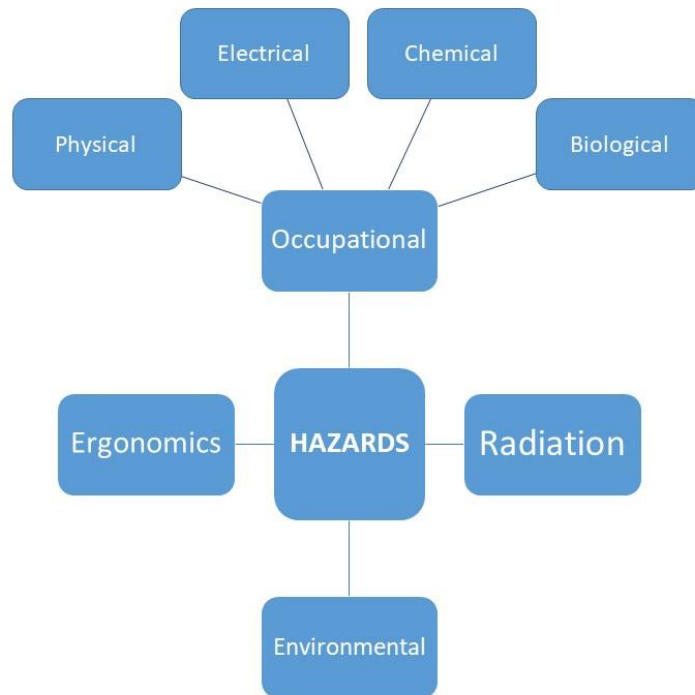


Fig.: 4.7 Types of Occupational Hazards

The abovementioned flowchart briefly summarizes the various hazards associated with the working environment but neglects the hazards caused as a result of the negligence of workers while working, which results from either of the following:

- Psychological disturbance
- Physical fatigue

The various hazards falling under the various categories mentioned above are as follows:

- **Occupational Hazards**

- Physical hazards: These arise as a result of mechanical equipment accidents. They can include burns, cuts, and broken body parts among others.
- Electrical hazards: These basically include electrocution arising out of various factors including negligence.
- Chemical hazards: These include chemical burns, inhaling chemicals, eye splash, and skin irritation among others
- Biological hazards: These include viral, bacterial infections among other things.

- **Radiation hazards:** These would include various skin diseases caused due to exposure to harmful rays emitted by machinery and tools.
- **Ergonomic hazards:** These arise due to incorrect posture of working emanating from the incorrect design of the machine, inadequate training, etc.
- **Environmental hazards:** These mainly include the various types of pollution caused by the waste generated by the organization.

The various hazards could be dealt with by using the various control methods, which are as follows:

- Installing personal protective equipment in place to prevent injuries during operations such as gloves, helmet, goggles, overall, and boots among others.
- To develop administrative control to alter how people work by devising new rules and procedures.
- To set in place engineering controls to isolate workers from hazards by structuring the workspace in a more secure manner.
- To substitute harmful substances with those having least harmful effects to avoid hazards.
- To eliminate substances which might involve physical hazard(s).

Activities

Activity 1:

Discuss in a group of five students, the potential hazards that you anticipate and ways to mitigate while working in the laboratory. Present the findings in the form of a report.

Materials Required:

1. Chart Sheet
2. Colourful Pens & pencils
3. Pencil

4. Eraser
5. Ruler

Procedure:

1. Gather in a group of five and anticipate the hazards associated with working in the textile laboratory
2. Write the anticipated hazards on an individual basis
3. Discuss and narrow down to five most common hazards.
4. Present the findings in the form of a Report in front of the class

Activity 2

Prepare a roadmap to effectively manage the waste generated in the textile laboratory and explore ways to apply the 3R(s) model.

Materials Required:

1. Dustbin
2. Empty buckets for segregation

Procedure:

1. Accumulate all the waste generated in a common area
2. Classify the waste into biodegradable and non-biodegradable
3. Further segregate it into recyclable, Reusable and non-recyclable
4. Now, discuss the ways in which the recyclable waste could be reused
5. Dispose the non-recyclable waste into a dustbin

Check Your Progress**A. Fill in the blanks with the most appropriate word**

- a. _____ is a primal tool in reducing and preventing health issues, emergencies and accidents at work, together with any environmental damage which could result from work practice
- b. _____ include various skin diseases caused due to exposure to harmful rays emitted by machinery and tools

B. Write short answers for the questions that follow:

- a. Explain the term hazard in the context of occupation. Also state and define the types of potential hazards
- b. Why is environmental, health and safety legislation required in an organization? Substantiate with a real life example.
- c. What is waste. How is Textile waste different from Non-textile waste and what do they include?
- d. List the various types of wastes generated in an export house.

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Session 4: Use of Different Cleaning Substances

Cleaning substances are referred to as materials which are primarily used for cleaning purposes. These cleaning substances can be further classified into:

- Cleaning agents
- Cleaning equipments

Cleaning agents as the name suggests, are referred to as strong chemicals which are used for spot removal of stains on fabrics, floors of premises. Export operation does not involve any cleaning agents as such. However, the workplace needs to be kept clean, hygienic and disinfected at all times so that no damage is caused to stored goods.

CLEANING AGENTS FOR GENERAL HOUSEKEEPING

General housekeeping involves regular operations of cleaning and maintenance, thereby making the role of cleaning agents a very primal one. The most common cleaning agents used include floor cleaners, disinfectants, etc.

CLEANING AGENTS FOR FABRICS AND ACCESSORIES

Sometimes the stored fabrics and accessories may get spoiled due to unforeseen reasons such as spillage, seepage, etc. Thus, cleaning agents may be required to ensure freshness and spotless fabrics prior to production. The primary purpose of the cleaning agents is spot removal but can also involve dyeing and washing if required. Apart from this cleaning agents are also used for keeping the premises of fabric inspection clean and tidy.

Though cleaning agents play an important role in various processes involved in the business and are widely used, still they must be handled with care and precautions.

The points to be kept in mind while using the cleaning agents are as follows:

- They should not be touched directly as it might lead to skin irritation.
- They should be stored in a separate, designated area as coming in contact with them would lead to fatigue, headache and dizziness.
- All the containers with cleaning agents should be well labelled and only authorized or limited personnel should be allowed to handle them.

- Protective gear such as apron, skullcaps and gloves, etc. should be made use of while handling cleaning agents as it might lead to breathing issues and damage of lungs

Many of these problems can be prevented and solved at little or no cost. If you use organic solvents, keep them properly stored and labelled. They should be very carefully handled and used sparingly.

These points must be kept in mind as if they are ignored, they would lead to reduction of productivity and product quality, increased absenteeism and turnover of staff.

Some of cleaning agents which are widely used could be classified based on usage as follows:

- Cleaning agents for regular cleaning.
- Cleaning agents for hard surface care formulations.
- Cleaning agents for maintenance of machinery and space.

Cleaning agents for regular cleaning:

These are primarily used to ensure upkeep, shine and functionality of the fabric. They include Antifoams, surfactants, chelants, solvents, dispersants and polymers which ensure high performance fabric care.

Cleaning agents for hard surface care formulations

When the stains on the fabric are not easily removable by application of above mentioned cleaning agents, they are required to be treated with hard surface care substances. These include Surfactants, dispersants, chelants, solvents and rheology modifiers that clean more efficiently and improve fabric performance.

Cleaning agents for maintenance of machinery and space:

The substances that are used to ensure the upkeep of the machinery used and keep the space neat and tidy are referred to as cleaning agents for machinery and space. They include disinfectants, floor cleaners, etc.

The job of the cleaning agents can not be possible without the application of cleaning equipment. Hence, cleaning equipment plays an important role.

Cleaning Equipments

The tools that are put to use to apply cleaning agents for the purpose of stain removal for the purpose of housekeeping are referred to as Cleaning Equipments.

The different types of Cleaning Equipments are as follows:

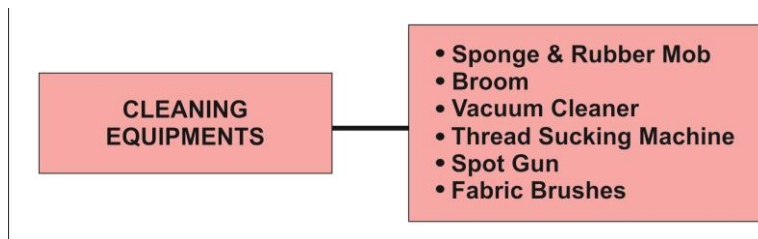


Fig.: 4.8 Cleaning Equipments

Cleaning Equipments for Housekeeping

1. Sponge and Rubber mop - They are used to clean all the plastic pallets as well as the floor with the help of a wet mop
2. Broom – Their use is to sweep the working areas
3. Dustbin –This is used to store all accumulated unused cloth waste rags, trash and dust of the working area prior to cleaning
4. Vacuum cleaner - It is used to remove the dust and powder in floors, the exterior surface of the machine walls, ceilings and ventilators.

Cleaning Equipments for manufacturing unit:

1. Thread sucking machine - This machine has a crucial role as it is primarily used to remove the loose threads on the top of the fabric
2. Spot Gun - It is used to remove the stains if they are detected prior to issuing of the fabric.
3. Brushes—To brush off the loose dust.

Activities

Activity 1

Imagine that the apparel and textile laboratory in your school had to be closed for a long duration (say 5 months). Clean the laboratory with the help

from other students and support staff and make it fully functional again. Write the procedure followed in a chart.

Materials Required:

Chart Sheet

1. Colourful Pens & pencils
2. Pencil
3. Eraser
4. Ruler

Procedure:

Write the steps you followed for the cleaning of the laboratory. List all the cleaning agents and equipment used in the process.

1. Prepare the chart.
2. Decorate it.
3. Now, present a comparison of the pre and post scenario of the laboratory by pasting adequate number of photos of various stages in the cleaning process
4. Attach the chart on the drawing board of the classroom.

Check Your Progress

A. Fill in the blanks with the most appropriate word :

1. Sometimes the stored fabrics and accessories may get spoiled due to unforeseen reasons such as _____ , _____ etc. (spillage, seepage)
2. _____ is primarily used to remove the loose threads on the top of the fabric.
3. _____ should be made use of while handling cleaning agents as it might lead to breathing issues and damage of lungs.

B. Write short answers for the questions that follow:

1. Describe the precautionary measures used while handling cleaning agents.
2. Explain the various problems associated with the cleaning of the machinery, space and fabrics and the various cleaning agents and equipments used for the same.
3. Briefly describe

Session 5: Personal Hygiene and Health

Personal hygiene refers to all those habits and practices which help in maintaining good health and keeping illness away. Taking daily baths, wearing clean clothes, keeping neat and tidy hair are all examples of good personal hygiene. It helps in keeping healthy and maintaining a neat and pleasant appearance.

A healthy worker is also a productive worker. Poor health is the most common reason workers take a leave of absence from the workplace. Many illnesses are a result of the lack of knowledge of personal hygiene among workers and can be prevented by following simple rules of hygiene.

The incidences of various illnesses can be considerably reduced by a basic education in health and hygiene. Common health issues faced by the workers should be identified and marked clearly by the management and the workers should be trained for prevention and control of these problems.

The factory management must also remain alert and respond urgently to various health issues that can emerge. Good personal hygiene habits leads to better health and reduced illnesses. Poor personal hygiene can lead to some minor side effects, like body odour, bad breath and greasy skin. However, it can also result in more serious health issues. Hence, workers should be given mandatory training in health and hygiene related issues.

IMPORTANCE OF PERSONAL HYGIENE

Personal hygiene is important mainly because it saves us from illnesses and ensures good health. It also has many other benefits. These include:

- Neat and Tidy appearance
- Improved stamina and efficiency
- Boosts self confidence
- Acceptance and
- Lesser leaves and absenteeism

PERSONAL HYGIENE, TAKING CARE OF BODY, FOOD HABITS:

Unsatisfactory quality and quantity of drinking water, lack of sanitation and hygiene can cause a number of illnesses. These factors can affect individually or in combination also. The diseases caused by poor sanitation

and hygiene mostly affect individual employees and are not communicable. Thus they can be controlled but there are situation where lack of hygiene and sanitation may simultaneously affect many employees or group of employees. Such a situation is difficult to control and may result in huge loss of work. The latter is often indicative of poor working conditions in the factory.

The prevention of diseases related to water, sanitation and hygiene is possible with the institution of simple control measures at the factory level. Workers must be regularly trained in hygiene and sanitation practices to avoid loss.

The following mentioned are few tips on dealing issues regarding good personal hygiene at work and also some workplace health and safety tips:

Ensuring personal hygiene and care of body:

Poor hand hygiene increase the vulnerability to bacteria and potential transfer or introduction of microbes such as viruses and fungus. Hence washing hands frequently, wearing gloves etc. should be strictly followed

- Hand Wash: Hands must be washed on regular intervals with an effective hand disinfectant liquid/solution.
- Wear clean uniforms/ protective clothes during working in the area along with cap, eye glass, face mask and footwear, that adequately covers feet to protect products from human particles such as skin flakes or hairs.

SAFE WORKING PRACTICES AND ORGANIZATIONAL PROCEDURES

Safety measures include proper training of machine operators, which is essential throughout the production line and across the workplace. Safety can be greatly enhanced by introducing automation in machinery and processes for materials handling, particularly for heavy loads or wherever fast-running machinery is used or where heat or sharp blades or needles are involved. Safety devices are used to check that machine setting is correct and to stop machinery in an emergency.

- All Organizational policies and procedures should be followed for issues related to security, materials handling, potential hazards etc..
- All compliances should be strictly followed. Special care and attention should be paid to health and safety regulations and procedures in case of fire, chemical hazards, bio-hazards, etc..
- Maintain distance between moving machinery and stay within designated areas.

- Maintain a clean, neat and orderly working area.
- Safety measures: Ventilation to remove vapours from heat sealers.
- Safety guards and protective clothing, gloves and footwear worn.
- Displaying educational posters is a powerful way to educate workers. It is very effective because deliver a consistent message, and use pictures which are a strong form of communication targeting specific behaviour. Examples which have been used in other garment factories include posters on lifting postures, proper mask wearing, and reproductive health.

SAFETY MEASURES

Workers should use and maintain personal protective equipment as instructed.

- They should also carry out their activities in line with approved guidelines and procedures.
- Use and dependency of intoxicants such as liquor, cigarettes etc. Should be totally avoided and a healthy lifestyle should be maintained.
- Faults and malfunctions in machinery and equipment should be dealt with urgently and with utmost sincerity.
- Storage of materials and equipment should be done in line with manufacturer and organizational requirements.
- Waste materials should be handled carefully and safely .
- Seek clarifications, from supervisors or other authorized personnel in case of perceived risks.
- Keep checking the workplace and work processes at regular intervals for potential risks and threats.
- Workers must report risk of potential threats, accidents to supervisors or any other authorized personnel.
- Workers should undertake all training and drills related to first aid, fire-fighting and emergency response very sincerely and should not do it just for the sake of formality.
- Take action, based on instructions in the event of fire, emergencies or accidents .
- In situations where shutdown and evacuation is mandatory or compulsory, workers should follow standard organizational procedures.
- Environmental hygiene should not be neglected – regular checks of waste disposal, drainage, sewage and effluent treatment systems should be instituted.
- Hazard Controls –

- a) Sharp Objects – Worker should not handle broken sharp objects or broken glass by hand. Use tongs, forceps, tweezers, magnets or other devices to pick up and discard the broken object.
 - b) While disinfecting contaminated areas or equipment workers should wear protective gloves such as latex or other watertight gloves, safety glasses or goggles and cleansing wipes.
 - c) If work surfaces or equipment have come in contact with blood or other body fluids (for example, a worker's finger has been cut and has bled onto the equipment surface, these surfaces should be cleaned and disinfected immediately).
- All the earmarked areas such as walls, floors and doors of the work areas should be wiped with clean and sterile sponges and mops. Care should be taken to wet the sponges and mops with sterile disinfectant solution in proper concentration.
 - All exposed surfaces of equipment and glass panels should be sprayed and wiped with sterile solutions. Spillage or leaks if any should be cleaned and mopped immediately using sponge and sterile disinfectant solution.

GOOD HOUSEKEEPING PRACTICES AND ORGANIZATIONAL PROCEDURES

INTRODUCTION TO HOUSEKEEPING

Efficient production and good working environment are complimentary and go hand in hand for achieving organizational goals. A clean, orderly and attractive environment encourages tidy work habits in employees and also boosts their efficiency. Good housekeeping is more than just the cleanliness. It also involves minimizing risks due to accidents and hazards. Good housekeeping is mandatory in every phase of industrial operation. Entire premises that is indoor areas such as work area, reception, washrooms etc. as well as outdoor areas such as lounge, parking lot, garden etc. should be maintained and governed by housekeeping practices as followed in the organization.

Poor housekeeping leads to a sense of chaos, accidents and also gives rise to:

- Excessive materials, waste or chips in the working area
- Congested aisles
- Tools left on machines
- Overflowing waste bins
- Lockers and workrooms in disorder
- Chemicals and Acids in open containers
- Broken glass

- Electric leads or air lines across aisles
- Uncleaned light fittings, windows and skylights
- Accumulated piles of paper and other packing materials
- Infestation by pests such as rodents and cockroaches

GOOD HOUSEKEEPING PRACTICES AND ITS BENEFITS

Housekeeping refers to cleaning, organizing a place as well as minimizing risks, accidents and hazards due to unkempt and untidy premises such as loose and dangling wires, overflowing bins and containers, slippery floors, etc. Good housekeeping practices help in keeping the premises clean, systematic and hazard-free, and thus, boost the efficiency and productivity of employees.

SOME GOOD HOUSEKEEPING PRACTICES

1. REGULAR CLEANING AND MAINTENANCE:

Housekeeping should not be restricted to only few occasions such as inspections and audits, meetings etc. In fact the entire premises should be cleaned and maintained regularly and frequently.

2. REPAIR AND CHECK OF ALL ELECTRICAL SWITCHES, WIRING AND SUPPLY:

All power supplies and electrical wiring and switches also fall under housekeeping and should be checked and maintained regularly with utmost sincerity.

3. AISLES:

Aisles should have clearly marked floor lines to keep them segregated for work areas and storage areas. Also these should not have any debris, scrap or boxes in their way.

4. FLOORS AND WALLS:

These should be clean and free from dust, dirt and marked clearly with signboards and placards. Spilt oil and other liquids should be cleaned up at once. Chips, shavings, dust, and similar wastes should never be allowed to accumulate. They should be removed frequently.

5. WELL-MAINTAINED AMENITIES:

Facilities or amenities such as washrooms and lockers for clothing should be clean and up to date. Lunchroom should be clean, well-maintained and inviting.

6. WASTE REMOVAL:

There should be a proper waste disposal schedule along with cleaning agents and equipment. There should be adequate facilities to prevent congestion and disorder in the premises.

7. MAINTAIN THE LIGHT FITTINGS:

Any good housekeeping programme will pay attention to light fittings and care and maintenance of all light fittings in the premises is an integral part of such a programme. Lamp shades and lights become dirty with use and often accumulate dirt and dust around them. This reduces their efficiency and the workers are devoid of essential light which puts strain on their eyes. Simple cleaning of lamps, reflectors and tube lights is known to improve the lighting efficiency may by 20 to 30 percent.

8. CLEAN THE WINDOWS:

Clean windows help in optimizing the availability of day light and dirty ones keep it out. Insufficient light causes eye strain and leads to accidents because employees are unable to see properly. Efficient housekeeping ensures that windows are not blocked by stacked materials, equipment or articles on the ledges and are dust free too.

9. VENTILATION:

There should be adequate ventilation in the premises. The ventilators and exhaust fans should be clean and free from dust, cobwebs, grease etc.

10. FULLY FUNCTIONAL FIRST AID GEAR:

First aid facilities and equipment should be kept under spotlessly clean conditions and fully stocked so that they are always ready in the event of accidents or illness.

11. INSPECT FIRE-CONTROL EQUIPMENT:

Regular inspection of all fire-fighting equipment such as extinguishers and fire hoses is vital for keeping them in good working condition. Fire protection facilities such as door and exits, automatic alarms, etc must be in excellent working condition. Care should be taken to check and avoid any jammed or blocked fire exits and doors. Doors and exits should always be kept clear of obstructions.

BENEFITS OF GOOD HOUSEKEEPING PRACTICES:

Good housekeeping is an important factor of quality assurance. Manufacturing and other operational areas need regular cleaning and disinfection, in order to remove spillage powders, dust and dirt. Cleaning ensures avoidance of cross contamination and to maintain working environment tidy and safe. Though good housekeeping practices require time, effort and planning, but they are worth, of investing time and energy. Every organization has housekeeping practices as these not only help in keeping the premises clean but have several advantages and benefits too. Some of the benefits of a good housekeeping programme are as follows:

- Well maintained and up to date premises
- Better working conditions
- Reduced risk of accidents
- Better efficiency and productivity of staff
- Safe and healthy work environment

HAZARDS OF POOR HOUSEKEEPING PRACTICES:

Regular and timely housekeeping has many benefits. If however, housekeeping is not practices regularly and efficiently it may pose serious problems. Some of the hazards and problems associated with poor and irregular housekeeping practices are as follows:

1. Untidy and unsafe premises
2. Accidents
3. Fire Hazards
4. Chemical and oil spillage
5. Dusty walls and windows
6. Slippery floors and handles
7. Jammed doors and knobs
8. Unkempt, smelly washrooms and change rooms etc.
9. Falling and tripping over loose objects on floors, stairs and platforms
10. Accidents due to falling objects
11. Wet surfaces causing slipping and falls
12. Striking against items kept in undesignated or wrong locations or items piled up in stacks near aisles and exits
13. Projecting nails, wire or steel rods which may cause injuries such as piercing any body part, tearing skin etc.

All this has a direct bearing on the efficiency and productivity of employees and may bring down their morale also.

Activities

Activity 1:

Prepare a chart on importance of personal hygiene.

Materials Required:

- 1- Chart paper
- 2- Coloured pencils/pens
- 3- Ruler
- 4- Eraser
- 5- Markers

Procedure:

- 1- Collect information on the importance of personal hygiene.
- 2- Prepare a chart and place the collected information on it.
- 3- Place the completed chart in your classroom.

Check Your Progress

A .Fill in the blanks with the most appropriate word:

1. Regular and timely _____ has many benefits.
2. Regular _____ of all fire-fighting equipment such as _____ and fire hoses is vital for keeping them in good working condition.
3. Good housekeeping practices help in keeping the premises _____, _____ and _____.
4. Good housekeeping is an important factor of _____.

B. Write short answers for the questions that follow:

1. What do you mean by good housekeeping practices? Mention any 3 good house-keeping practices.
2. Describe a few benefits of good housekeeping practices.
3. What is meant by poor house-keeping practices? Explain briefly.
4. Mention a few hazards of poor housekeeping practices.

Module 5**Health and Safety Related Practices
Applicable at the Workplace****Module Overview**

In any industry workers are exposed to many activities and have to handle various tools, machineries, chemicals, etc. In apparel and textile industry also workers are exposed to a number of chemicals, pigments, machines and associated heat, dust, smoke, etc. The health and safety of workers has a direct bearing on their productivity and efficiency and hence company's output and profits. Therefore, it is of utmost importance to take care of their health and safety and to provide them with a safe working environment.

Some issues can be extremely harmful and can even lead to accidents, hazards and permanent damage to the worker as well as the property. Hence, we need to know about various potential health and safety hazards, risks. In addition to this we also need to understand and follow various health and safety related practices which should be followed in any organization to keep the workers and premises safe.

The workplace related injuries usually start as minor aches and pains but can further develop into severe injuries that affect all day activities. At other times if these practices are not followed they can also result into severe workplace accidents and mishaps.

People's efficiency in their working environment aims at preventing injuries by monitoring the risk factors such as force, repetition, posture, and vibration, that may cause injuries to develop.

Some basic ergonomic principles that should be followed at workplace are as follows:

- ❖ Proper tools/equipment's.
- ❖ Keep repetitive/continuous motions to a minimum level.
- ❖ Avoid unbalanced postures.
- ❖ Safe weight lifting procedures.
- ❖ Appropriate resting time.
- ❖ Other aspects to monitor which can have potential risk factors.

Learning Outcomes

After completing this module, you will be able to:

- List and analyze Potential hazards at workplace
- Demonstrate safe handling of equipment
- Describe the benefits of a healthy lifestyle
- Explain environmental management procedures, security details, potential accidents and emergencies
- Identify and implement safety measures at workplace

Module Structure

Session-1	Potential hazards at work place
Session-2	Safe handling of equipment
Session-3	Benefits of a healthy lifestyle
Session-4	Environmental management procedures, security details, potential accidents and emergencies
Session-5	Safety measures at workplace

Session 1: Potential Hazards at Work Place

Hazard is a potential source of harm that can cause temporary and permanent damage or even death in severe case.

The first step towards workplace risk assessment is to identify the potential risks/hazards at the workplace. To overcome these hazards in the company; a nominated person is appointed for conducting formal risk assessments; however, it is everyone's responsibility to be careful and mindful of hazards at the workplace and minimise the risk.

Not all hazards are obvious, and they will be unique to every workplace depending on the type of process flow. This can make it difficult to immediately identify and protect all the employees from the hazards; therefore it is important to study various types of hazards and ways to keep work area free from potential hazards.

DIFFERENT TYPE OF POTENTIAL HAZARDS

- **Biological-** Biological hazards includes viruses, bacteria, insects, animals, etc., that can cause adverse effects on the materials to be exported and also lead to negative health impacts on people handling the

goods. For example: any fungi attack on the fabric rolls can deteriorate the condition of the fabric being exported.

- **Chemical**- Chemical hazards are hazardous substances that can cause harm. These hazards can result in both health and physical impacts, such as skin irritation, respiratory system irritation, blindness, corrosion and explosions. For Example – Any hazardous chemical leakage in workspace can lead to damage in the raw materials/products stored.
- **Physical**- Physical hazards are environmental factors that can harm an employee without necessarily touching them, including heights, noise, radiation, and pressure.
- **Safety**- These are hazards that create unsafe working conditions. For example: exposed wires or blind corner can be injurious. These are sometimes included under the category of physical hazards.
- **Ergonomic**- Ergonomic hazards are a result of poor and faulty designs of infrastructure, machinery that can result in physical injuries. For example: if the heights of the racks are not designed according to the height of the workers it may result in body aches, stiffening and thus will lead to reduce productivity.
- **Psychosocial**- Psychosocial hazards include those that can have an adverse effect on an employee's mental health or wellbeing. For example: sexual harassment, victimisation, stress and workplace violence.

KEEPING WORK AREA FREE FROM POTENTIAL HAZARDS

Workstations have to be kept free from any potential hazard to ensure the safety of workers and the work place. Therefore, following measures can be followed to maintain the safety and security –

1. Environmental Control Measures

Hazardous substances in one form or another can be found in almost all small and medium-sized enterprises. The garment industry generates a lot of dust from fabrics being cut and sewn, heat and noise from machinery. There are simple and inexpensive ways to control most of the environmental problems. Improvements often result in cost savings, higher productivity and increased safety of the workers.

2. Regular and Proper Cleaning

Dust originates from fabrics and threads, from cutting and sewing to packing operations. It is very common to see small clothing enterprises with ceilings and walls full of dusty cobwebs.

One low-cost cleaning method is sweeping the floor carefully with an appropriate broom and accompanying dust pan to prevent dust from spreading. Spraying water on the floor before sweeping will avoid dust.

3. Cost-effective Local Ventilation

Local ventilation should only be considered as a means of reducing chemical hazards when other means have failed.

There are cost-effective ways of improving ventilation:

- **Use proper fans**

Apart from those used for ventilating workstations, fans may be utilized to remove dangerous substances from the workplace.

Contaminated air can be pushed or blown outside by having more open windows.

- **Good Lighting for Quality Products**

Good lighting does not necessarily mean more light bulbs or more use of electricity. Natural lighting is usually a better option than the bulbs. But if there is a difficulty in arranging for a natural lighting through windows and ventilators, it's important that the bulbs and other elements of artificial lights should be well-maintained. A good lighting arrangement is directly proportionate to an efficient workforce.

Lighting requirements are mainly affected by following factors:

- The type of operation or task to be done.
- The eyesight of the worker , if any worker has very good eyesight then they can work efficiently in dim light too but workers with poor eyesight require optimum and efficient lighting system.
- Area where the work is being done. If the work area has ample day light and clear, open windows then requirement of light is not that important. But during night shifts and in closed areas without adequate windows efficient lighting system is must.

- **Full use of Daylight**

If there are too many machineries omitting heat, it isn't a great idea to allow the natural heat to come in and add up to the temperature.

The higher the window, the more light is in.

It is important to paint the walls in lighter shades which not just give a sense of space to the room, but the workstation would look illuminated too. In a store, the storekeeper has to be very careful with the light as long time exposure to light can cause degradation of fabric colour/shade.

Activities

Activity 1-

Collect the data and make a report on risk and hazards of industry.

Materials Required-

1. Practical File
2. Coloured pens and pencils
3. Ruler
4. Eraser
5. Pictures of different hazards in an industry

Procedure-

1. Search and collect the data and pictures of different types of hazards of an industry.
2. Place the pictures in the practical file and label the same.
3. Write the description and make a report.

Check Your Progress

A. Fill in the blanks –

1. is a potential source of harm that can cause temporary and permanent damage or even death in severe case.
2. hazards create unsafe working conditions.
3. Psychosocial hazards include those that can have an adverse effect on an employee's..... and

4. should only be considered as a means of reducing chemical hazards when other means have failed.

B. Write short answers for the following –

1. What do you mean by potential hazards? Name any three.
2. Describe any two measures for keeping the work area free from potential hazards.

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Session: 2 Safe Handling of Equipment

SAFE AND CORRECT PROCEDURE OF HANDLING EQUIPMENT AND MACHINERY

It is very important to handle the equipment carefully and safely in the garment industry and train all workers in a manufacturing unit to use the same effectively. Following are the suggested ways of handling the equipment safely:

1- Clothing and Personal Protection

Clothing and personal protection equipment must be worn wherever they are prescribed. Close fitting clothing should be worn near machinery with moving parts. Loosely, draped garments like scarves, dupatta, bows, ribbons and loose sleeves are dangerous. Long hair should be tied up tightly and covered with Cap. Jewellery, watches and rings should not be worn. There are personal protection equipments such as hair protectors, ear protectors, gloves, safety glasses and shoes.

Types of Personal protective equipments

- **Latex Gloves**

Purpose: - To avoid any chemical contamination while handling chemicals.

- **Acid-Alkali Hand Gloves**

Purpose: - Used for handling Acid/Alkali

- **Chemical Splash Safety Goggle / Mechanical Safety Goggle**

Purpose: -For protection of eyes against chemicals.

- **Different types of Masks:**

- **Organic Vapour Mask**

Purpose: - For protection against organic chemical vapours.

- **Particulate Respirator**

Purpose: - For protection against chemical dust.

➤ **Chemical Mask**

Purpose: -Used for protection against high concentration of organic vapours.

➤ **Dust Mask**

Purpose: - For protection against normal repairable Dust.

• **Gum Boot**

Purpose: -For protection of foot while working in wet process. (For Washing & ETP).

• **Ear Muff**

Purpose: - For protection of ears while working in high noise areas

• **Ear Plug**

Purpose: - For protection of ears while working in high noise areas.

• **Leather Apron**

Purpose: - For protection of body while working at high heat. (For Boiler Operator)

• **Safety Helmet**

Purpose: - For protection of head against falling objects.

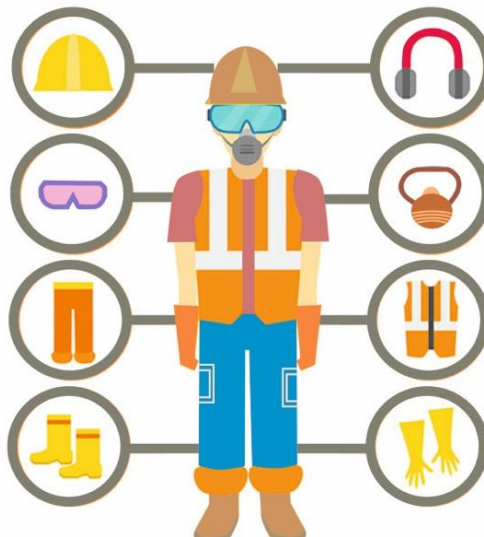


Fig.:ure 5.1 Protective Equipments

2- Clear demarcations and sign boards

Clear demarcation of areas is required at places where there is possibility of hazards or accidents.

Prohibited areas which are marked are as follows-

1. Storage of chemicals
2. Operation of machinery
3. Presence of water on the floor
4. Loud noise areas
5. High voltage current
6. Release of poisonous fumes

There are threats based on the nature of the operations. Workers have to be trained to understand these hazards and take proper precautions accordingly.

3- Compliance towards – Noise Protection, Cleanliness and Maintenance

- a. Technical measures should be taken to reduce noise generation. In case if noise level cannot be reduced then wearing of ear protectors should be a must.
- b. For maintaining cleanliness waste should be placed in the bins provided. Traffic lanes, fire appliances and emergency exits, should not be obstructed and kept free instead.
- c. Ladder should be secured and kept in a proper tilting position to avoid slipping. Do not use damaged ladders.
- d. When transporting hot water in a bucket, use apron and boots and do not fill bucket to its full capacity.
- e. Maintenance of the equipment should be regularly done to avoid hazards.

4- Reporting an Accident

All the employees should be aware of potential hazards and correct reporting processes. If a potentially hazardous situation is noticed, for example: a client expressing violent behaviour, then it is important to report it immediately to the management and fill out the appropriate forms as legally required by you.

If injured at work, one must:

Report the injury to the management as soon as possible, maximum within 24 hours and seek proper treatment for the same.

Always work in a safe manner to prevent accidents from occurring in the first place. Make sure that you have been given adequate information and on-the-job training about the first aid facilities and services available at the workplace, including:

- Location of first aid rooms and first aid kits.

- Complete, up-to-date contact details of trained first aid officers in the workplace procedures for critical accidents – who are to take care during adverse situations.
- The contact details of ambulance/doctor/nurse and the best method of contact, measures for evacuation of the injured person/s.

5. Essential facilities required at the workplace

Drinking water -

Drinking water is indispensable for all workers; if not provided, they become thirsty and gradually become dehydrated. This greatly increases fatigue and lowers productivity, especially in a hot environment.

Water vessels should be placed near each group of workers or taps or cascades with clean water in a central place must be provided.

Sanitary Facilities-

Like water facilities, sanitation facilities are also very important. The importance of proper sanitation facilities increases in the public context as improper facilities or unhygienic conditions can deteriorate the health of the employees by being breeding ground for several diseases.

- The toilet bowl should be free from stain or odour and function properly.
- The walls of the toilet should be clean and tiles should be unstained.
- The ceiling of the toilet should be free from cobwebs and dust.
- Floors should be clean and safe (no broken tiles, nor slippery surface).
- Proper illumination should be provided inside the toilet.
- Toilets must have a continuous supply of water; in case water is limited in the area, water it should be stocked in containers and refilled regularly.
- Mirrors and rubbish bins should be provided in the washroom.
- Soap and toilet paper should be provided.
- The washroom should provide complete privacy to users and should be fully ventilated.

6. Follow Proper Rules and Regulations – Workers should read the manuals provided with the machinery and equipments and follow safety principles efficiently. They should also follow the rules and regulations set-up by the company like not using the machinery with wet hands, avoiding use of mobile phones during working hours ,etc.

2.2 – POTENTIAL HAZARDS, RISKS, AND THREATS BASED ON NATURE OF OPERATIONS

Identifying potential hazards and risks at workplace involves finding things and situations that could potentially cause harm to people based on the nature of operations. Hazards generally arise from the following aspects of work -

- Physical work environment
- Equipment and Materials
- Working tasks and how the way they are performed

In a manufacturing unit the work process may lead to different types of hazards. Each of these hazards need to be identified. For example: a workplace may have moving parts, noise, hazards associated with manual tasks and psychological hazards at the workplace. Some of them can be explained as follows-

Hazard /Risk	Potential Harm/Loss
Manual Task	Overexertion or repetitive movement can cause muscular strain.
Electricity	Exposure to live electrical wires can cause shock, burns or death from electrocution.
Machinery and Equipments	Being caught by moving parts of machinery can cause fractures, bruises, lacerations, dislocations, permanent injuries or death.
NOISE	Exposure to loud noise can cause temporary/permanent hearing damage
Working Environment	Falling objects, falls, slips and trips of people can cause fractures, bruises, lacerations, dislocations, concussion, permanent injuries or death.
Extreme Conditions	Heat can cause burns; heat stroke or fatigue Cold can cause hypothermia or frost bite.

Psycho-social hazards	Effects of work-related stress, bullying, violence and work related fatigue.
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Activities

Activity 1:

Visit an apparel production unit and make a list of sign boards seen in the factory.

Materials Required–

1. Practical File
2. Coloured pens and pencils
3. Ruler
4. Eraser

Procedure–

1. Visit an apparel production unit.
2. Observe all the safety signs and sign boards in the factory.
3. Gather information about the safety signs observed.
4. List the sign boards in your practical file.

Activity 2

Visit an industry and check the requirement of equipments for ensuring no faults/defects and efficient working.

Materials Required–

- 1- Practical File
- 2- Coloured pens and pencils
- 3- Ruler
- 4- Eraser
- 5- Report of daily checks and condition of equipments.

Procedure –

- 1- Search and collect the data and pictures of checklist of equipments.
- 2- Place the pictures in the practical file and label the same.
- 3- Write the description on checklist of equipments and make a report.

Check Your Progress**A. Fill in the blanks-**

- 1- clothing should be worn near machinery with moving parts. (close fitting)
- 2- In cases of high noise level, wearing of should be a must.(Ear muffs)
- 3- Injury should be reported to the..... as soon as possible. (management)
- 4- Effects of work-related stress, bullying, violence and work related fatigue leads to (psychosocial Hazards)

B. Write short answers for the following –

- Q1-Describe about any five types of protective equipments.
- Q2 -Describe any five potential hazards,risks based on nature of operations.

Session 3: Benefits of a Healthy Lifestyle

The World Health Organization (WHO) defines health as “a state of complete physical, mental and social well-being”. It’s not an exaggeration when we say that health is wealth because it affects a person’s productivity, efficiency, energy and hence behaviour. Some of the benefits of a healthy lifestyle are increased concentration, sharp memory and also gives an emotional boost.

MINIMIZING HEALTH AND SAFETY RISKS TO SELF AND OTHERS BY OUR OWN ACTIONS

1. **Identify and reduce the risks** - Once the hazard has been identified at the workplace, appropriate steps for reduction of risk and work related injuries must be taken.
2. **Reducing workplace stress** - Common causes of workplace stress includes long working hours, heavy workload, job insecurity and conflicts with co-workers and seniors. Stress can lead to depression, sleeping difficulties and often lowers the ability to concentrate.
3. **Using correct tools and equipments** - Use ergonomically designed furniture, tools and equipments, and arrange your work area in a manner that everything you need is well within your reach.
4. **Wear suitable protective equipment’s** - Correctly worn equipment’s such as earplugs, earmuffs, hard hat, safety goggles, gloves or full-face mask can dramatically reduce risk of injury.
5. **Staying sober** - Alcohol and drugs are a contributing factor in around three percent of workplace fatalities. Workers should avoid indulging in such unethical practices at work.

THE VALUE OF PHYSICAL FITNESS, PERSONAL HYGIENE AND GOOD HABITS

Performance of a worker is directly related to the health of the worker. Hence it is important to train and educate the workers on good health and hygienic habits.

- 1- **Physical Fitness** -Physical activities have many health benefits for workers, regardless of whether or not physical fitness is a requirement for their jobs. However, a fit and healthy workforce is one of the most valuable assets of the company. Therefore, employers need to make more effort to encourage physical activity. Periodical health check-ups

and workshops should be arranged by the company to maintain good health of the employees.

- 2- **Personal Hygiene and Good Habits** –Personal hygiene refers to the cleanliness, appearance and habits of employees. Personal hygiene and good habits doesn't only make workers look and feel good, but also makes their co-workers feel safe and comfortable. Personal hygiene improves employee's confidence and helps in maintaining employee productivity. It promotes a safe and healthy environment at the work place.

Do and Don'ts of Personal Hygiene at the Workplace –

- Workers should clean after themselves and should not indulge in littering
- Workstations should be kept clean and dust-free by wiping them regularly.
- Tea and food should always be consumed in designated spaces and all the utensils and crockery should be cleaned immediately and regularly.
- Workers should be trained in proper hygiene and practices and should follow it too sincerely.
- All the workers and employees should adhere to organizational hygiene policy
- Unhygienic practices like sneezing and coughing in open should be avoided.
- Washrooms must be kept clean and workers must wash their hands thoroughly after using wash rooms.

ILL EFFECTS OF TOBACCO

Consumption of tobacco in any form is injurious to health. Inhaling tobacco smoke can cause a person exposure to about 7000 toxicants and at least 70 carcinogens. All these can damage the body and result in critical illnesses like cancer, respiratory disorders, etc. Both smokers as well as passive smokers are at equal risk. Passive smokers are people who don't smoke but are present near the people who smoke and thus get affected by smoke.

Tobacco use is one of the most important preventable causes of premature death in the world. Limiting use of tobacco can save a lot of lives and improve well being of the workers as well as their families.

Effect of smoking on the body

Smoking cigarettes and *beedis* is very common among workers. It not only costs money for buying cigarettes but can result in many adverse effects on the body. Smoking can also lead to life-threatening complications such as:

3. **Lung damage:** Smoking is linked to chronic bronchitis and can also trigger or exacerbate an asthma attack besides lung cancer.
4. **Heart disease:** Vital body parts such as the heart, blood vessels, and blood cells are damaged by smoking and this may also result in heart diseases. Smoking can also increase the risk of peripheral artery disease (PAD), that is narrowing the arteries of the arms and legs. This may result in restriction of blood flow and can also cause blood clots. Some of the diseases related to smoking are angina, or chest pain, stroke, heart attack.
5. **Risk of type 2 diabetes:** The some reports suggest that people who smoke regularly have a 30–40 percent higher risk of developing type 2 diabetes than those who do not. The condition of people who suffer from diabetes gets more adverse due to smoking.
6. **Weakened immune system:** Smoking not only results in severe diseases but it can also weaken a person's immune system permanently making them more susceptible to various illnesses.

It can also result in additional inflammation in the body.

7. **Vision problems:** Smoking can also result in eye problems. Some of the eye problems that can happen in smokers include greater risk of cataracts and age-related macular degeneration.

Other vision problems related to smoking include:

- dry eyes
- glaucoma
- diabetic retinopathy

8. **Poor oral hygiene:** Poor oral hygiene is one of the ill effects of smoking and is directly related to incidences of gum diseases. People who smoke suffer from higher risk of gum disease. Smoking can cause swollen and tender gums, foul breath, discolouration of teeth and rashes in the oral cavity. It can also make the teeth sensitive.

Smoking tobacco can limit a person's ability to taste and smell things properly.

9. **Unhealthy skin and hair:** Smoking tobacco can affect a person's skin and hair. A person who smokes may experience prematurely aged, wrinkled skin. They suffer from a higher risk of developing skin cancer. Smoking can also cause loss of hair and even eventually lead to baldness.
10. **Risk of other cancers:** Smoking cigarettes can also contribute to other forms of cancer like pancreatic cancer, lung cancer etc.

ILL -EFFECTS OF DRUGS AND ALCOHOL

Problems such as work pressures, family tension, financial problems etc. many a times lead to consumption of drugs and alcohol. However drugs and alcohol consumption has its own ill effects. It may lead to life threatening diseases such as abnormal heart rates and heart attacks. Injecting drugs can result in collapsed veins and infections in heart valves.

Some drugs can even result in severe muscle cramping and general weakness leading to reduced work efficiency. Prolonged use of substances like drugs and alcohol can lead to kidney and liver damage.

1. Infections: Sharing the needles used to inject certain drugs can lead to diseases like hepatitis C, hepatitis B, and HIV. One can also spread common colds, the flu, and mono from sharing pipes and bongs.

2. Legal Consequences: Drug and alcohol abuse has negative effects on the health and can also lead to legal consequences/actions that have to be dealt for the rest of the life. Many employers suggest taking a drug test before offering a job to an employee. Refusing to give up drugs could lead to loss of jobs for the employees.

Driving under the influence of drugs or alcohol can lead to a suspension of one's driving license, usually for a period of 6 months to 2 years. Sometime also need to pay heavy fines and may even spend some time in jail.

3. Financial Problems: Drugs and alcohol are expensive, one cannot meet out the quality life especially when the consumption is more and constantly. Substance abuse also impacts your productivity and success at work. The time spent searching for and using drugs can be better spent on learning of new skills to advance one's career options.

4. Injuries and Death: Use of drugs and alcohol, can lead to physical injuries or car accidents. It also increases the death rate due to committing suicides or homicides.

These drug-related deaths are on the rise, doubling since the early 1980s. Alcohol consumption leads to 5.2 million accidental injuries and 1.8 million deaths each year. It is estimated that 1 out of every 4 deaths is caused by drugs and alcohol, according to the World Health Organization.

The short-term effects of drinking alcohol usually includes -

- Lowered inhibitions
- Interpersonal conflict
- Falls and accidents
- Altered behaviour – including risky or violent behaviour
- Hangover
- Alcohol poisoning

The long-term effects of alcohol

It is observed that consuming on average more than two standard drinks a day may result in a number of long-term health problems.

It is stated by World Health Organization (WHO) that consumption of alcohol contributes to more than 200 different types of disease.

Some of the common harms related to alcohol consumption are as follows:

- Road and other accidents
- Domestic and public violence
- Crime
- Family breakdown
- Social dysfunction
- Cardiovascular disease
- Different types of cancers
- Diabetes
- Malnutrition and other nutrient deficiencies
- Overweight and obesity
- Risks to pregnant females

- Liver diseases
- Anxiety , depression and other mental health conditions
- Alcohol tolerance and addiction
- Long-term cognitive impairment
- Suicidal thoughts

In the long term, alcohol consumption can affect physical, mental, work, and social aspects of one's life.

Activities

Activity 1

Prepare a report after interviewing the export workers regarding their personal health and hygiene.

Materials Required :

- 1- Practical File
- 2- Coloured pens and pencils
- 3- Ruler
- 4- Eraser

Procedure :

- 1- Prepare a questionnaire on health and hygiene practices.
- 2- Interview the industry workers on their views about health and hygiene.
- 3- Prepare a report on the same.

Check Your Progress

A - Fill in the following blanks –

1.of a worker is directly related to the health of the worker.

2.promotes a safe and healthy environment at the work place.
3. workforce is one of the most valuable assets of the company.
4. Inhalingexposes users to more than 7000 toxicants and at least 70 carcinogens.
5. consumption leads to 5.2 million accidental injuries and 1.8 million deaths each year.

B. Write long type answers for the following-

1. Write about the benefits of personal hygiene.
2. Write in detail about the ill effects of alcohol consumption.

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Session 4: Environmental Management Procedures, Security Details, Potential Accidents and Emergencies

ENVIRONMENTAL MANAGEMENT SYSTEM RELATED PROCEDURES AT THE WORKPLACE

Every organization has an Environmental Management System (EMS) that helps it in achieving its environmental goals. This is done through consistent reviewing, evaluation, and improvement of its environmental performance. This approach reduces the risk of non-compliance and improves health and safety practices of the workers. Basic procedures followed under EMS are as follows –

- Review of the environmental goals of the organization.
- Analysing its environmental impacts and legal requirements.
- Setting targets for reduction of harmful impacts on environment and comply with legal requirements.
- Introducing and implementing programmes to meet these objectives and targets.
- Monitoring and measuring progress in achieving the objectives.
- Ensuring employees' environmental awareness and competence.
- Reviewing progress of the EMS and making necessary improvements.

Potential Benefits of implementing EMS are as follows–

- Improved environmental performance.
- Enhanced compliance.
- Pollution prevention.
- Resource conservation.
- Increased efficiency leads to reduced costs.
- Enhanced morale of workers.
- Enhanced image with public, regulators, lenders, and investors.
- Employee awareness of environmental issues and responsibilities.

LAYOUT OF THE PLANT AND DETAILS OF EMERGENCY EXITS/ROUTES, EMERGENCY EQUIPMENTS AND ASSEMBLY POINTS

Plant layout is the most effective physical arrangements of machines, processing equipments and service departments. A good plant layout helps in achieving proper coordination of men, materials and machines. The adequacy of layout affects the efficiency of daily operations in any company/organization. A plant layout involves the allocation of space and the arrangements of equipments in such a manner that overall operating costs are minimized. Plant layout is planning the path used for making of each component/part of the product through the plant.

Plant layout also affects the security and stability of the company. While deciding the layout of the plant and allocating space for various machines and operations, security should never be compromised. It should utilize the space most effectively while maintaining the security of men, machines and the premises. It should provide workers convenience; promote job satisfaction and safety for them. A well designed plant layout helps in achieving the following objectives

- Proper utilization of available floor space.
- Ease of transportation.
- Efficient utilization of production capacity.
- Reduction in materials handling cost.
- Reduction in number of accidents.
- Provide ease of supervision and control.
- Ensures employee safety and health.

Plant layout ensures the following measures of safety at the workplace-

- Fire fighting equipment list and its placement.
- Fire safety plan for evacuation in case of emergency.
- Emergency evacuation diagrams (details of emergency escape/exit routes).
- Assembly points at the time of emergency.
- Appropriate placement of machineries.
- Allocation of proper space for waste disposal.
- Proper placement of First Aid Boxes in case of medical emergencies.
- Allocation of proper space for drinking water and sanitisation facilities.



Fig.:ure 5.2 Fire Extinguishers symbol and equipment

POTENTIAL ACCIDENTS AND EMERGENCIES AND RESPONSE TO THESE SCENARIOS

Emergencies or disasters are not at all welcome in any organization as they effect the health and life of employees and in turn also effect the business.

However, the truth is that despite all the precautions and safety measures, emergencies and disaster can occur anytime and anywhere. Sometimes these emergencies and disaster occur at a time when they are least expected.

At such difficult times the corrective measures are necessary to overcome such situations.

An incident/potential accident that can occur during the process of production or services if left unintended can lead to injuries, complication leading to disability, death, or prolonged hospital stay for a worker.

Awareness of high potential incidents at other workplaces is a key factor in preventing them at your work area. Following are some of the most common causes of accidents at the workplace:

- 1) Heavy Lifting
- 2) Fatigue
- 3) Dehydration
- 4) Poor Lighting
- 5) Hazardous Materials
- 6) Fire Accidents
- 7) Acts of Workplace Violence

- 8) Trips and fall
- 9) Stress
- 10) Explosions
- 11) Chemical spills
- 12) Heat Waves

The best way to deal with it, is to prepare ourselves to respond to an emergency before it happens. Only, few people can think clearly and logically in a crisis, so it is important to do so in advance, specially, when we have time to prevent any crisis as it is rightly said “prevention is better than cure”.

Emergency Response Plan

The initial minutes of an emergency are very critical and require immediate action. Promptness in announcing warnings and instructions to employees for evacuation, shelter or lockdown can save their lives. Public emergency services such as police, fire department, hospitals should also be called for immediate action. All employees must be trained in first aid, emergency evacuation, fire drills etc.

Proper risk assessment should be done for developing an emergency response plan for this all potential emergency scenarios should be clearly identified. An understanding of potential emergency scenarios can also help us to plan an arrange all resources and procedures required to prevent them in the first place. The emergency plan should be consistent with our performance objectives.

Development and implementation of an emergency plan is vital for every industry. This is specially required for protection of all the employees, visitors, contractors and anyone else visiting and working in the organization. This emergency plan also includes building evacuation through fire drills, sheltering practice from severe weather such as lightning, floods etc. There should also be a provision for shelter - in - place from air borne hazards such as a chemical release. Safety of life should always be the first priority is case of emergencies. Stabilization of the incident and normalization of the situation should be the second priority. Employees should be aware of the action that should be taken to stabilize untoward incident.

For example - Employees should be trained to use the fire extinguisher efficiently for controlling small fire accidents. Containment of a small chemical spill and supervision of building utilities and systems can minimize damage to a building and can help prevent any environmental damage. A plan should be well established and resources should be on hand, or quickly available as response to any potential accident or emergency.

Activities

Activity 1 –

Study and make a layout of the factory by visiting an industry.

Materials Required –

- 1- Practical File
- 2- Coloured pens and pencils
- 3- Ruler
- 4- Eraser

Procedure –

- 1- Visit an industry.
- 2- Study the layout of a factory.
- 3- Make the layout in a practical file and label the details.

Check Your Progress

A - Fill in the following blanks –

1. Anis a framework that helps an organization in achieving its environmental goals through consistent reviewing, evaluation, and improvement of its environmental performance.
2. is the most effective physical arrangements of machines, processing equipment and service departments.
3. A good plant layout helps in achieving proper coordination of, and

B- Write short answers for the following questions-

1. State some potential benefits of implementing EMS.
2. State measures of safety at the workplace ensured by a plant layout.

Session 5: Safety Measures at Workplace

DIFFERENT TYPE OF SAFETY MEASURES AT WORKPLACE AND THEIR APPLICATION

At any workplace, there are certain rules and regulations which have to be followed –Rules regarding organizational hierarchy, process flow chart, safety SOP's (Standard Operating Procedures).

Every organization adapts different safety measures which are generally displayed as safety signs and signboards.

These signs include:



Fig.:ure5.3 Safety Signs

Safety Signs: These are the signs or simple visuals which provide information or instruction about safety and health at workplace. All safety signs have a fixed sign board, a fixed colour and an illuminated sign. They can also have an acoustic signal, a verbal communication or a hand signal.

Signboard: A sign which provides information or instructions by a combination of shape, colour and a symbol or pictogram. It is always accompanied with lighting of sufficient intensity to make it clearly visible.

Signboards can be of the following four types:

Prohibition sign:

This sign is generally meant for warning against dangerous situations or for safeguarding privacy.

Warning sign:

A sign giving warning of a hazard or danger (example - 'danger: electricity').

Mandatory sign:

A sign prescribing specific behaviour for example “Staying away from hazardous chemicals.”

Emergency escape, Fire and First-aid signs:

A sign giving information on emergency exits, first aid, or rescue facilities (example ‘emergency exit/escape route’).

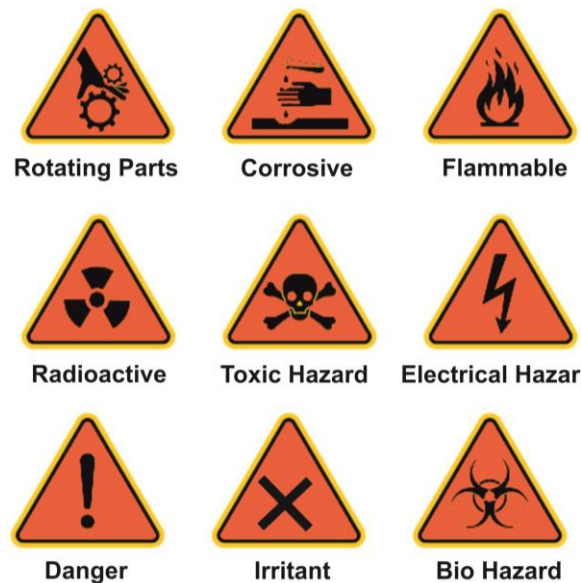


Fig.:ure 5.4 Warning Signs

ORIENTATION AND TRAINING ON SAFETY MEASURES AT WORKPLACE/ ACTION TO BE TAKEN

Mock Drills/ Evacuations -

Incase of an accident notify the health and safety office immediately. All the employees must be trained to recognise work hazards and to know what to do in the case of an emergency. They should know whom to inform. Staff duties and accountabilities should be clearly defined for emergency situation.

Regular training is required to help safeguard the employees those who are conscious of those duties and responsibilities.

Fire safety and evacuation plans sketch should be placed at proper exit locations. Fire drill should be performed and workers should be trained to handle fire extinguishing equipment.

Fire fighting trainings serve as a prospect for staff members to validate, under replicated fire conditions, that they can perform those duties and responsibilities safely and efficiently.

First Aid Measures

- Get help.
- You can call on emergency numbers
- Reassure and comfort the people
- Check critical life functions
- Remove casualty from dangerous zone
- Place blanket under and /or over
- Check critical life functions

GENERAL RECOVERY POSITION

Removing the casualty from Dangerous Zone





Postures	Evacuation from surface area
	Casualty is too heavy to be lifted
	An upright position will reduce intracranial pressure, essential for head injuries and assist breathing.
	In case of injury on the back, make sure the injured area is covered and taken care of.
	In case of burns keep the head low and make sure the injured area is completely covered.

Fig.:ure 5.5 General recovery position

Emergency situations (First Aid)

A typical basic First- Aid kit may include the following items in a dustproof and waterproof box:

- Sufficient quantities of the different sizes of bandages and gauzes should be available at all times to treat small cuts and burns.
- Sterile cotton gauze for cleaning wounds
- Scissors, tweezers (for splinters) and safety pins
- An eye bath and eye wash bottle
- Sterile Eye dressings
- Crepe roll bandages
- Disposable sterile gloves
- Medical tapes
- Thermometer
- Ready-to-use antiseptic solution and cream
- Simple over-the-counter medicines such as aspirin, painkiller and antacid
- A booklet or leaflet giving advice on first-aid treatment

HEALTH AND SAFETY MEASURES AT WORKPLACE AND THEIR APPLICATION

Health and safety play a vital role in the garment industry. To summarize the whole chapter, these are some of the important areas where safety measures are of utmost priority to safeguard from hazards in the day-to-day practices in an organization.

Here are some of the examples of these conditions:

Hazards	Safety Measures
Spreading and Cutting	
Finger and hand injuries from spreading machines	Disengage the spreader carriage while performing the corrective work on the lay

Finger and hand injury from moving or idle cutting devices	Ensure that the finger guard is adjusted to the correct height of the fabric layers before starting to cut. Learn and use the correct handling techniques for the tool.
Finger and hand injury at swinging arm or flat punch machines	Ensure that the two handed control system is functioning properly. A light sensor should stop the machines when a machine operator or a worker goes beyond the working area.





Fig.:ure 5.6Fusing Machine


Finger and hand injury in the press	Safety guards should be checked daily for correct operation
Burns from hot beds	Never attempt to retrieve, or adjust the position of components whilst they are being fed, or are on the bed
Finger and hands injury in feeding and unloading	A press which has to be controlled using both hands must be operated by the one person. Operators must be well trained and practiced to lay the parts on the feeding belt conveyor efficiently
Inhalation of a healthy weapons	The manufacturer's handling recommendations should be followed. Vapours should be exhausted safely




Fig.:ure 5.7 Sewing

Finger and hand injury during cleaning and repair work	The machine must be switched off, with plug removed and must be stationary before any cleaning or repair work is started
Finger injury from the needle	Correct setting of the finger guard should be checked before work starts
Pulled hair and face injury from the yarn feeder	Long hair should be gathered and pinned up or a hairnet should be worn. A safety guard should be provided for the yarn feeder
Hand and finger injury from fastening devices on hook, eyelet and rivet machines.	Correct setting of the safety guards should be checked. Training must be given in the correct handling techniques for holding and feeding materials
Eye injury from breaking needles or buttons at the button sewer, or breaking needles at the loop sewer	Proper adjustment of eye shield should be checked before the work starts. Cracked or obscured shields should be replaced, or safety glasses should be issued.
Contact with Scissors and Needles	
Cuts and pricks from sharp points	Sharp pointed scissors should not be left unprotected. They should be kept in special holders (leather holsters cases) carried e.g. on a belt and stowed away properly after use.
Internal injury from swallowed items	Never hold items temporarily in the mouth. There is a danger of swallowing them as a result of coughing sneezing or being startled. Place needles in the proper

	container or in a needle cushion.
	
Fig.:ure 5.8 Ironing/Pressing	
Burns from hand irons	Hand irons should be protected from overheating by a thermostat. Non-flammable materials should be used for the working area.
Scalding from steam	Steam must not be supplied until it is required
Finger and hand injury from the press	A machine which requires two hands to operate ,must never be operated by two people. Never attempt to adjust the position of parts after the closing process has started .A safety bar must be fit which stops and raises the head when it is touched
	
Fig.:ure 5.9 Cleaning, Stain Removal	
Inhalation of solvent vapours, skin	Ensure adequate ventilation only

damage or reaction to contact with solvents	the equipment in materials actually required for a given working shift should be present
Fire hazard	An adequate distance must be maintained at least 5 meters from any potential ignition source
Hazardous chemicals	Safety warning instructions on the container should be observed and appropriate working method must be adopted
 <p>The illustration shows a worker from a side profile, wearing a yellow long-sleeved shirt, a dark vest, dark trousers, and blue gloves. The worker is pushing a yellow trolley with two large brown cardboard boxes on it. The worker is walking towards the right of the frame.</p>	
Fig.:ure 5.10 . Materials Handling	
Head injury from overhead transport systems with suspended carriers	Head protection (padded hard hats) should be provided with the transporter rails pass over a walkway. The floor should be marked with black and yellow warning strips
Trapped fingers when manoeuvring careers over points	Safety guards should be installed and proper training in handling method should be given
Falling from raised service platform and access points	Safety guards have to be in place. Specialized equipment should be used for servicing trolleys and proper handling of goods.

Hand and finger injury from conveyors	Equipment must be guarded, and the safety guards must never be removed
Accidental injuries from tripping over the feet of movable hanger stands	Movable hanger stand should be found only in designated areas. They should not encroach on to marked walkways
 <p>Fig.:ure 5.11 Packaging Machinery</p>	
Hand and finger injury at packaging, welding, cutting and folding stations.	Safety devices (two handed operation) should be checked every day. Whenever a machine has to be adjusted whilst it is running e.g. for setting up, servicing or clearing of faults, only the engine control should be used.

Activities

Activity 1

Prepare a detailed report on personnel trained in first aid, fire fighting and emergency response.

Materials Required –

- 1- Practical File
- 2- Coloured pens and pencils
- 3- Ruler
- 4- Eraser

Procedure –

- 1- Visit an industry.
- 2- Prepare a questionnaire.
- 3- Interview people trained for emergency services.
- 4- Document it and prepare a detailed report of the same.

Check Your Progress

A. Answer briefly the following questions –

1. Explain any two types of Signboards that are used (with diagrams).
2. Describe health and safety measures taken in a garment industry.

Module 6**Compliance to Legal, Regulatory and Ethical Requirements****Module Overview**

In general, **compliance** means conforming to a rule, such as a specification, policy standard or law. Simply speaking compliance means obeying the law. Compliance can also be defined as conformity to a given standard. All the industries, organizations, offices and manufacturing units are required to follow regulations and compliances as decided by the respective governments and countries they operate in. Garment and textile industries are no exception to this. These are also expected to maintain certain standards to operate. Compliances promote honesty and integrity within the organization and help in maintaining standards. Apart from this, compliances also ensure safety of the men, materials, machines and environment. Compliance adherence in industries is also essential as it ensures an amicable working environment. Adherence to compliances is also essential for business growth, safety and wellbeing of employees and customer satisfaction. Some of the common compliances required in garment industry include working hour policy, drug and alcohol policy, child care policy, prevention of sexual harassment policy, holiday compensation, wage for leaves, equal remuneration policy, antidiscrimination policy, no child labour, health, and safety policy etc.

Legal is something which is allowed by the law and is in accordance with various laws. Legal regulations are set by the government to prevent the rights and safety of a common man and society. **Ethical** means something which is morally correct. Ethical regulations are based on human perception of right and wrong. It also means avoiding activities which are harmful for people, organization and environment. For example in recent years customers have started demanding ethical products. **Regulatory** compliance means adherence to various laws, guidelines and specifications issued by the government. **Regulatory compliance** means following relevant laws, policies, and regulations. These differ from business to business and from country to country.

Whether a business organization / company is following these legal, ethical and regulatory compliances or not is checked at regular intervals through audits and inspections. Violating compliances is a punishable offence and may result in legal punishment such as cancellation of business license, fine, jail or any other punishment as decide by the law and the government.

Learning Outcomes

After completing this module, you will be able to:

- Describe the importance and benefits of ethical and value-based approach to management
- Explain company policies, procedures and their benefits
- Demonstrate teamwork and support to supervisor
- Plan and manage work routines

Module Structure

Session-1 Importance of ethics and values

Session-2 Company policies, procedures and its benefits

Session-3 Teamwork and support to supervisor

Session-4 Planning and managing work routines

Session: 1 Importance of Ethics and Values

Ethics are a form of self-regulation and normally contain general principles to guide behaviour. Ethics is also known as moral philosophy. It is a system of moral principles and simply means what is right or wrong morally. For example: it is not ethical on the part of an export assistant to show that a piece of fabric in store is damaged, when it is not and sell it secretly in the market to earn some extra money. We can also say that ethics mean the intention of doing the right or correct thing. The term ethics is derived from the Greek word *ethos* which can mean custom, habit, character or disposition. Honesty, Integrity, Loyalty, Keeping your promises are all examples of Ethics. Ethics help us in:

- Living an honest and good life
- Making decisions which are morally correct
- Thinking about others and the society
- Prevent frauds and corruption in the organization

It is not easy to explain what values are though most people would claim to have values. There are cultural and individual differences in value. A value is something we hold dear, something we see as important and worthy of safeguarding. Values are closely related to ethics. Values are basic and fundamental beliefs that motivate or guide actions of people and can be personal, cultural or professional. Generally speaking, ‘values’ mean desirable, good or worthwhile and are principles and ideals, which help us in making the judgment of right and wrong. Values determine what action is the best to do. For example: in a factory the support staff who arranges for documentation drafts gets sick while on duty and the export assistant takes on the duty of preparing, drafting and finalization of export documents himself then it shows good values of the export assistant that he is worried about the task completion and deadlines. This will specially help when some deadline is approaching.

Ethics and values are important because they are central to any company or organization and govern business operations and transactions. Together, these two form the foundation of trust. Ethics and values help businesses and organizations in achieving their goals, without compromising on security, peace and wellbeing of the society and people at large.

BENEFITS OF ETHICAL AND VALUE-BASED APPROACH TO MANAGEMENT FOR THE COMPANY AND ITS WORKERS

Ethical and value-based approach to management is beneficial for both, the company as well as the workers. A company which is ethical and value based is able to build an image of trust whereas the workers who follow this approach enjoy the trust and goodwill of their employers. Both these things lead to positive business environment and hence, growth in business too.

Workers who have good ethics and values have very good productivity and hence, contribute more to the organization. Such workers also respect company property and don't indulge in unions, strike etc. Workers who follow ethical and value-based approach are self-motivated and hence perform better.

An ethical and value based approach also result in effective organizational control and hence, better productivity and efficiency of employees. Companies that follow an ethical and “values-based” approach to ethics may have an advantage in the marketplace. They enjoy healthy returns through employee and customer loyalty as well as public respect for their brand. This in turn will help in smoothly achieving business goals. It also helps in avoiding breaking of regulations and associated punishments. It helps in achieving customer's and employees' trust and loyalty. It creates an environment of respect and faith.

Activities

Activity 1

Visit any industry or company. Talk to its employees and observe the working and employees. Prepare a report on the ethics and values being followed in that organization / industry

Materials Required:

1. A4 papers or file
2. Coloured pen, pencils, permanent marker etc.
3. Scale
4. Eraser and sharpener

Procedure:

1. Visit any industry, organization or head office in your vicinity.
2. Observe the sign boards, working of the employees and also talk to the employees to find out the working environment, various ethics and regulations followed there.
3. Prepare a report and write in your file.

Check Your Progress

A. Fill in the Blanks:

1. _____ simply means what is right or wrong.
2. Together _____ and _____ form the foundation of trust.
3. _____ and _____ are examples of ethics.
4. _____ are closely related to ethics.
5. Ethics and values help businesses and organizations in achieving their _____, without compromising on _____, _____ and well being of the society and people at large.

B. Briefly answer the questions that follow:

1. What do you mean by ethics? Give one example also.
2. What are the benefits of following an ethical and value based approach to management?
3. What are values? Give one example?
4. What are the benefits of following an ethical and value based approach to workers?

Session: 2 Company Policies, Procedures and Its Benefits



Fig.:ure 6.1 Policies & Procedures

Introduction to Company Policies and Procedures

Policies are rules and guidelines formulated or adopted by an organization or a company to reach its long-term goals.

Policies are typically published in a booklet, manual or in any other form such as a presentation that is widely and easily accessible. Company policies are guidelines which help the management and employer in ensuring employee accountability, health, safety and provide necessary guidelines for interactions with customers. Policies are also guidelines for legal issues, regulatory requirements, and any situation that could lead to serious consequences. A company policy helps achieve employee's wellness, fair treatment and also ensures that a company is following laws and regulations.

Procedure is a fixed manner or way in which something is done. Procedures are the specific methods which inform employees as to how the daily duties should be performed. Every department in a company or an organization has an SOP (Standard Operating Procedure). This can be in the form of a manual, file or a booklet and is followed by the entire staff members including senior management, middle management and all the other workers. Most of the company decisions and working is governed by the standard operating procedure. Any deviation in SOP has to be informed and is scrutinized carefully.

Together, policies and procedures ensure that the company or the organization is able to achieve its goals and mission in the most efficient and smooth way.

Policies and procedures are different from each other. We can understand the difference between the two by following points:

Policies	Procedures
Policies are the guiding principles.	Procedures means how a particular task will be done, what steps to follow while doing a task.
It is general in nature and relates to overall activities in the company.	It is very specific and related to particular tasks.
It is formulated by top management in the company	It is formulated by middle and lower management in the company
Policies tell us why a thing needs to be done	Procedures tell us how a thing needs to be done

Every company has different policies and procedures which govern their daily business operations. Company policies and procedures also protect their business interests and employees. Procedures for each business can differ depending on the products and/or services provided. Organizations need policies and procedures for a wide range of HR topics.

Some policies which are critical for businesses and are mostly followed by almost all the organizations are as follows:

1. Quality Assurance Policy:

Businesses should strive to offer quality goods and services to the clients. Products offered should meet the customers' expectations and even surpass their expectations. Quality services and products establish a good reputation and help to build a successful business.

2. Environment Policy

All business organization should have commitment towards preservation of environment and should have practices to minimize their organization ill impacts on the environment. These practices include simple recycling process as well sophisticated practices such as water treatment, waste management techniques etc. Some of these Businesses should invest in projects that are aimed to improve the environment.

3. Code of Conduct

Employees should act legally, ethically, and work for the best interest of the business. A Code of Conduct within the business should guide employees on how to deal with a wide variety of ethical situations. A Code of Conduct directs employees on how to relate to each other, customers and potential business partners and networks. This is a broad topic and may require multiple, separate policies. Including guidelines on drugs and alcohol use, smoking, performance management and discipline helps the employees to distinguish what is and is not acceptable behaviour at work.

4. Corporate Social Responsibility

This is a strategic decision where businesses undertake an obligation to the society. For instance, a business may offer sponsorship to the community, take care of the environment. This is not necessary for profit maximisation, but for welfare of public.

5. Employment

Managing your employees and ensuring they understand the position within the business is of critical importance. Employees need to understand how performance reviews are conducted, the process for rehabilitation, safe working conditions, compensation to workers injured at work, non-discrimination at workplaces, and termination conditions.

6. Purchasing Policy

All Businesses organizations depend on suppliers and vendors for their raw materials and supplies. Therefore, they must value their suppliers and treat them fairly. They must also offer fair and honest tenders to their suppliers as well as offer reasonable terms of payment. Purchasing policy helps in formalizing all these details. Employees also need to understand what are considered work expenses, how goods for the business are purchased and what is the purchasing process?

7. Use of Internet and E-mail Policy

Internet and e-mail is a necessary part of our daily business. Having internet and e-mail policies and procedures provide employees with guidance on what is expected behaviour and acceptable use. Business should also consider having guidelines on Social Media usage within the business. Employees should be advised against use of internet at workplace as it affects the work output.

They should be urged to reduce time spent on personal use of internet. It is the duty of the organizations to add guidelines about what should and what should not be posted on social media regarding the organization in particular and events in general.

Add guidelines about what is and is not appropriate to post on social media regarding your organization as well.

8. Equal opportunities Policy

Businesses should offer equal employment opportunities. When hiring employees, there should be no discrimination because of colour, gender, race, or disability. Guidelines should also include on how your business handles situations that include disability, pregnancy, or overall diversity.

9. Policies and Procedures for Attendance

These documents can include guidelines on absenteeism, vacation time, sick leave, appointments and overtime. This can also include the amount of notice required before applying for time off or leaves. Organizational culture should be taken into consideration when developing these rules.

10. Customer service Policy

For a business to be successful, it is important to maintain high quality customer service. Good customer service is the key to build and maintain loyal customers.

11. Policies and Procedures for Use of Company Property

Employees are required to use company property like electronics, medical equipment, vehicles, tools and uniforms in order to perform their duties. To avoid loss and damage to company property due to misuse and mishandling by the staff many companies include guidelines on how to care for company property. These policies also include how much (if any) and what types of personal use are permitted while using company property.

12. Policies and Procedures for Harassment and Discrimination

Harassment at workplace includes bullying, stocking, verbal and physical harassment, sexual harassment and workplace discrimination. All this can negatively affect the motivation and efficiency of employees. Thus, most of the companies nowadays have policies on harassment and discrimination. These help in keeping employees safe and guarantee fair treatment by developing policies and procedures that prohibit behaviours such as:

- Sexual harassment
- Bullying
- Verbal and physical harassment
- Stalking
- Hiring discrimination
- Workplace discrimination

Include information on how to report harassment and discrimination and explain that the company will not retaliate for reporting.

13. Policies and Procedures for Expenses

Employees need to tour and travel for company assignments. They also need to purchase things for work. Thus, having an expense reimbursement policy is very crucial for all the organizations. This type of policy has details such as acceptable expenses, reimbursement of transportation and meals, medical reimbursements etc. This type of policies also have procedures to submit reimbursement claims, time limit for submitting reimbursements.

Employee should be informed about the types of expenses that are acceptable for reimbursement (airfare class, transportation, meals, etc.). Also, they should be informed about the procedures on how to submit a reimbursement claim.

14. Drug and alcohol policy:

Workload, family tensions, anxieties can lead employees to indulge in drug and alcohol consumption. If it becomes a regular affair then employee gets habituated and his/her work efficiency is greatly reduces and may negatively affect the output and culture of the organization. Thus, most of the company nowadays have policies against such practices.

15. Policies and Procedures for Health and Safety

Health and safety of employees is crucial for every organization. Policies related to health and safety of employees includes information to deal with illness or injury at workplace, equipment safety guidelines and procedures to report an injury or accident. It also includes procedures to follow in the event of a fire or natural disaster.

Policies help in developing a good working operational model and this in turn motivates employees to perform and develop company standards. Employees refer to company policies for guidance on their roles, responsibilities, business principles, ethics and beliefs -for compliance reasons and to ensure a healthy company culture. Written policies and procedures also help protect your company from potential legal action. After investing time and resources creating these policies, make sure employees read, understand and apply them to their daily job responsibilities.

Policies and procedures play a very important role by defining an organization's guiding principles, providing detailed task instructions and forming the basic structure of business operations. As part of risk management, it's important to have clear policies, procedures and processes.

Business processes, procedures, and standards, are vital for training staff. Having formalised procedures for the business can save time and money by increasing efficiency of the employees. Processes and procedures guide and help employees in giving more output in lesser time. Thus less time is required by management for overseeing the day-to-day running of the business.

Procedures can also improve the consistency of product and service delivery by the staff. It helps in achieving optimum staff performance. These create standards and help everyone to know how to operate. For example: if an export house catches fire then what procedure would be followed for evacuation and safety? Developing formal policies and procedures can make it run much more smoothly and efficiently. They communicate the values and vision of the organization, ensuring employees understand exactly what is expected of them in certain situations.

Since, both individual and team responsibilities are clearly documented, there is no need for trial-and-error or micromanaging. The policies and procedures must be written in a manner that the employees are able to understand them easily.

Formal policies and procedures act as guides while handling HR issues. The unavailability of written policies causes waste of time and effort to agree on course of action. With strict guidelines issued it is easy to follow the procedures and enforcing policies becomes easier. Policies and procedures controlling the way in which businesses operate. Implementing these documents also improves the way an organization looks from the outside. Formal policies and procedures help to ensure that company complies with relevant regulations. They also demonstrate that organizations are efficient,

professional, and stable. This can lead to stronger business relationships and a better public reputation.

REVIEWING POLICIES AND PROCEDURES

Policies and procedures should not be written once and left alone for decades. Reviewing these documents regularly and updating them when necessary is the key to their success. Various laws and guidelines are amended from time-to-time by government and hence, it becomes important for organizations too to make necessary changes in their policies and procedure to conform to amendments and the latest developments.

Thus, to summarize we can say that:

Policies

- Are general in nature
- Helps in identification company rules
- Gives explanation of their existence
- Tells application of rules
- Describe concerned workers/ departments
- Explains enforcement of rules
- Prelists the consequences
- Are written in simple sentences and paragraph

Procedures

- Helps in identification of specific actions
- Describes situation when actions are needed
- Suggests alternatives
- Enlists emergency procedures
- Explains warning and cautions
- Provides examples and explanations
- Enlists steps to complete forms
- Are normally written using an outline format

Policies and procedures are required for maintaining consistency in the day-to-day operational activities. Policies and procedures helps in giving clarity and also state clear accountability of the person responsible for critically important activities of the company, such as, health and safety, legal liabilities, regulatory requirements or issues, that have serious consequences.

Benefits of following company policies and procedures

Policies and procedures protect business interests of the company on one hand and they also protect workers' rights on the other hand. They also provide a vision and mission to the company and thus in turn help in achieving standards of customer service. Together, policies and procedures make sure that the company achieves the desired outcome in the most efficient way.

Benefits of Policies and Procedures

- Policies and procedures help the employees to understand their job constraints better, as all the key points are stated with clarity.
- It helps in saving time and resources by enabling the workforce by clear understanding of their responsibilities and keeping all of them on the same page.
- It also helps managers to exercise control by exception rather than 'micro-manage' their staff.
- Clearly written policies and procedures provide legal protection to the company.

Activities

Activity 1:

Visit any industry and enquire and study about its policies. Prepare a detailed report of the policies followed by them.

Materials Required:

1. A4 size papers, chart papers and file covers
2. Coloured pen and pencils, permanent markers
3. Eraser and sharpener
4. Scale / Ruler

Procedure:

1. Visit any nearby industry or a company.
2. Meet their human resources manager.
3. Discuss about various policies and procedures followed by their company and also read their policy manuals and presentations.
4. Prepare a detailed report.

5. Write your observations in the form of a report in your file.
6. Paste related photos and pictures.

Activity 2

Visit any organization or company and enquire about the procedure for applying for a house loan by an employee.

Materials Required:

1. A4 size papers, chart papers and file covers
2. Coloured pen and pencils, permanent markers
3. Eraser and sharpener
4. Scale / Ruler

Procedure:

1. Visit any nearby industry or a company.
2. Meet their human resources manager.
3. Discuss about various policies and procedures followed by their company and also read their policy manuals and presentations.
4. Prepare a detailed report.
5. Write your observations in the form of a report in your file.
6. Paste related photos and pictures

Check Your Progress

A. Fill in the blanks:

1. _____ are rules and guidelines formulated by a company or any organization.
2. Policies tell us _____ something needs to be done.
3. _____ tell us how something that needs to be done.
4. Policies and procedures enable the workforce to clearly understand _____ and _____ responsibilities.

B. Write short answers to the questions that follow:

1. Name and briefly explain any two company policies.
2. What do you mean by Procedures?

C. Briefly explain the questions that follow:

1. Write any 3 differences between policies and procedures.
2. Why it is important to have company policies and procedures?

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Session 3: Teamwork and Support to Supervisor

TEAMWORK: INTRODUCTION AND IMPORTANCE

A team is a group of individuals working together to achieve a common goal. We can find teams in sports, business, offices, schools, and so on. For example, a cricket team, forensic team, quality assurance team. Members of a team collaborate and cooperate with each other for a common cause.



Fig.:ure 6.2 Teamwork and Support

Teamwork is when a group of people work together to achieve a common goal. It is one of the most important attributes of present times. Ability to work in team is a key requirement for any employee. In teamwork individual strengths and skills are combined to achieve the vision and mission of the company. It requires overcoming personal conflicts and disagreements. Efficient teamwork is crucial to success of any business organization or company.

We can hear the importance of teamwork in almost all business meetings, presentations and dealings. It is very crucial for success of any business task or operation. Almost all companies have teams.

It is not only important to perform well as individuals but also as a member of a team. To do well in a team requires patience, tolerance, and good social skills. Team efforts are linked with many advantages such as, the work gets completed quickly and the speed is more likely to increase with more people involved, better relations among employees and members of the team learn from each other's feedback and contributions.

PROVIDING SUPPORT TO SUPERVISOR AND TEAM MEMBERS FOR ENFORCEMENT OF COMPANY POLICIES AND PROCEDURES

A collaborative and supportive work environment is crucial for a successful organization. Implementation of policies and procedures cannot be done without the support of employees. Every employee in turn must provide support and cooperation to the supervisor as well as other team members for effective implementation of company policies and procedures. This will go a long way in achieving the targets and goals set by the company / organization. Apparel production companies have different departments such as store department, cutting department, stitching department, finishing and quality department, etc. All these departments require supervisors to manage and motivate workers. A supervisor also takes care of work routines, attendance, adherence to company policies etc. For example: in an Export department, the Export Manager is responsible for guiding and training the support staff about export documentation and process.

Managers are also responsible for training of new employees as well as continuous training of old staff as equipment, technology and processes, keep evolving. They are also responsible for performance evaluation, maintaining discipline, creating and managing spreadsheets, etc.. However, a supervisor cannot do this alone. They need the support and cooperation of their teams and employees to achieve all this.

Committed employees bring added value to the organization through their determination, proactive support, relatively high productivity and awareness of quality. These type of employees also display positive behaviour within organizations and thus, are very sought after or in demand.

There are many direct and indirect ways of showing support to your supervisor. Direct ways relate to following policies and procedures, punctuality, adhering to shift timings and indirect ways of support include maintaining discipline, pitching in extra work or doing someone else's work when they are absent. Support to managers can be given in following ways:

1. Maintaining Effective Communication with the Manager:

Always keep the manager informed about the work progress. If required to take leave or arrive late due to some pressing commitment management must be informed so, that the workflow can be managed and your duties can be assigned to some other employee during your absence. This is essential especially if some deadline is approaching.

If you are not happy with some policy or decision then also communicate politely to the Manager and get things sorted.

It is best to confide in your manager in case stress interferes with your work. "If your stress is still not mitigated, it is time to talk to your boss. It is okay

to ask for help and let them know about your situation." Most of the times seniors extend their cooperation

2. Being an Effective Listener:

Pay attention and listen carefully whenever the supervisor assigns duties or takes training sessions. This will be helpful in understanding the requirements and hence, in performing one's duties correctly.

3. Following all Policies and Procedures:

One of the ways of supporting your manager is to understand the company policies and procedures and to follow it also. For example: in an export house the support staff should be able to clearly understand the procedure for receipt and bill of materials. This will help in smooth export operations without any chaos, confusion or loss in the stock. This will result in achieving the business targets and management of work routine.

4. Be Responsible:

If you notice that there is a task that needs to be done and the staff is less or not adequate and you have the skills to accomplish it then offer to do the task and complete it.

5. Be dependable:

Do your duties and assigned tasks seriously, efficiently and well within the time limit. This is one way of showing support to your supervisor and being a valuable employee too. Dependable employees respect deadlines, and make every effort to meet them. For this work hours should be used effectively and time should not be wasted in gossiping or taking longer than authorized lunch breaks. Help manager by doing your share of the work and try to complete assignments in a timely fashion.

6. Prior sanction of leave/late arrival:

Always inform your supervisor before taking leaves. Even if some last minute emergency comes up and you need to report late for the duty, do inform your supervisor. One must always inform supervisor about leaving early or late arrival. Keep him/her informed about your leave plan. This will help in assigning your duties or work to someone else. This is essential for meeting deadlines and maintaining the workflow and production cycle.

7. Be punctual:

Always arrive and leave on scheduled time. Try to arrive and settle a little early then your shift timings as this will help in utilizing the shift time

effectively. Do not over extend tea or lunch breaks. Punctuality helps in maintaining the production cycle and speed thus it is also a way of showing support to your supervisor.

8. Offer useful solutions:

If the company or your division is facing a problem and you have a solution in mind, go to the manager with a rational decision making model and a detailed action plan.

9. Learn to adapt and be open to learning

Individuals who embrace change and are able to quickly adapt are seen as more valuable than those who cling to outdated principles and concepts that are past their expiry date. Don't be afraid of change but welcome it. Experiment with new ideas that are meant to improve productivity and performance.

10. Make your manager and team members' work easier:

Be ready to offer help and to do extra duties in case of emergencies and deadlines. Try to help not only your supervisor but also your team members if there is more work or if there is some situation which requires to put in extra effort. For example: If a consignment has to be shipped by a certain date and your shift is over, you can voluntarily offer to stay longer and help so that shipping can be done on the date given.

This requires a pro-active approach, especially because this work is not part of your assigned duties.

11. Take charge and volunteer:

Many a times your manager and/or any of the team members may not be able to perform their duties due to unforeseen factors such as illness, stress, constant juggle between home and work, financial pressure or other factors such as marital discord. This may hamper their productivity and output on certain days. All this can lead to unmet work targets resulting in high anxiety levels, thus pulling down productivity at work. Such times require you to show your support and solidarity by taking charge of the situation and volunteering to do more than your share of duties.

12. Spot real problems:

There are times that your anxiety over something at home gets spilled over at work place. You may never realise that the problem is not at work but back at home or vice versa. Identify the reason behind your anxiety.

13. Speak to your supervisor and team members:

One of the best ways to deal with workplace anxiety is to actually talk to someone close to you including your supervisor. They may offer useful solution and save you from stress and trauma and this will result in optimum work output and efficiency which in turn will be a way of supporting your supervisor.

14. Prioritize and organize:

Doing the same task repeatedly over days, long commute to work, financial stress may take a toll on your work. This may result in low productivity, reduced efficiency and a pile of unmanaged work. Work can take a toll, especially when not managed well. If you don't do your duties well your supervisor will not be able to meet the target given to him/her by the senior management and will have to bear the brunt. So prioritize your time and organize your daily routine and work routine to avoid unmanaged work pile. Learn to do high priority tasks first.

Putting it simply, here are some of the ways in which you can show support to your supervisor:

- Reaching on time.
- Keeping your work area clean and hygienic.
- Understanding expectations of supervisors and seniors and working accordingly.
- Understanding and maintaining acceptable behaviour.
- Not indulging in negative behaviour and gossip.
- Not indulging in illegal or banned work practices.
- Reporting any spurious or illegal activity to your supervisor immediately
- Following proper channel while reporting deviations in company policies and procedures.
- Being cordial with your team members.
- Reporting accidents, damages, and faults immediately.

The workers should immediately alert the supervisor and management about any serious deviations such as lapse in safety and security, workplace harassment, etc. in the company. Proper channel and procedure should be followed while reporting such things.

All the workers and employees must conduct themselves as per the company's or organization's vision and mission. In order to achieve the goals

or targets set by the company it is also very important to follow the company's policies and procedures. Employees or workers should avoid breaking rules

Activities

Activity 1:

Imagine you are the assistant to the export manager in ABC apparel production company. A big shipment is being prepared for shipping, 3-4 support staff are working with you for the same. Suddenly there is a fire outbreak, how will you support your manager in controlling the situation? Present a skit in your class on this situation.

Materials Required:

1. Placards
2. Furniture
3. Costumes
4. Bags and boxes

Procedure:

1. Plan the script and dialogues.
2. Arrange for the setting of the workplace.
3. Enact the skit.

Check Your Progress

A. Fill in the blanks:

1. A _____ is a group of individuals working together to achieve a common goal.
2. _____ is very crucial for success of any business task or operation.
3. There are many _____ and _____ ways of showing support to your supervisor.

B. Briefly answer the questions that follow:

1. What do you mean by teamwork?
2. What are the benefits of teamwork?
3. Briefly write some of the duties of a supervisor.
4. How can workers in any organization provide support to their supervisor? Write any 3 ways.

Session 4: Planning and Managing Work Routines

Routines help to stay focused on the things that are the most important. They bring discipline and give a smooth flow to various tasks. Having a proper work routine is known to boost the productivity and efficiency of workers and employees. Work routines help in achieving the assigned goals and daily targets in an efficient and organized manner.

Benefits of Proper Planning of Work Routines

- It gives a direction and purpose to the employees and they are able to give quality output.
- It helps supervisors in management of time and task allocation.
- It also helps the management in performance evaluation.
- It helps in proper resource allocation for the tasks.
- Work routines prevent employees from distraction and helps stay focussed on assigned tasks.
- It helps in prioritizing tasks and achieving the target.
- Thus, work routines help in accomplishment of assigned tasks and boost efficiency and productivity of the staff.

PLANNING WORK ROUTINES AS PER COMPANY PROCEDURES AND REQUIREMENTS

Every organization or company has specific procedures. Each company or organization has different goals and requirements. For example: the requirements and procedures of a packaging company will be entirely different from that of a food and beverage company.

The work routines also differ from organization to organization. Thus it's very important to keep in mind your organization's policies, procedures and specific requirements while planning as well as managing work routines of your employees.

- Understand the goals and targets of the company, the resources available for achieving these goals and then plan the work routine.
- The strengths and skills of each employee should be kept in mind while planning work routines and tasks should be assigned as per the capability and efficiency of the employees.
- Due consideration should be given to recreation, entertainment and lunch breaks to keep the monotony away from work routines.

- There should be provision for time to time checking of work routines and managing last minute changes in schedule due to unforeseen causes such as sick leaves by employee, machine breakage etc.
- It should be possible to make quick adjustments in the work routines of the employees due to unforeseen circumstances and communicate it too with workers.

Importance and Benefits of Punctuality and Attendance

Punctuality and regular attendance are vital attributes for all employees. Employees should attend work regularly and arrive at work on time, because it affects work routine and productivity. When employees are absent or late, work and service are interrupted and an additional burden is placed on co-workers and colleagues. Unauthorized absenteeism and late arrival is liable for disciplinary action and may result in termination of employment also. Employees should inform their supervisor or concerned authority if they expect or anticipate to be late for work due to some unavoidable reason. If an employee fails to notify his/her absence for a long period it can be considered as job abandonment and may result in termination of employment. Good attendance and punctuality helps in creating a professional image helps in securing a better position or role in the company

Attendance of workers and employees affects the people with whom they work. If you're present for work, completing your tasks enables others to fulfil their tasks and responsibilities. For example: if you're in-charge of receiving and issuing items, the results of your work could determine whether the products can be produced timely or not. If you're consistently absent, receiving, issuing and hence production and supply of goods will be affected and delayed. This in turn can result in loss to the company.



Fig.:ure 6.3 Punctuality

Punctuality means the habit of being on time. It also means showing consistency and regularity in behaviour. Punctuality helps us to appreciate time and use it effectively. It is a virtue that is widely appreciated. Punctuality helps in developing a habit of regularity in behaviour and helps prevent procrastination. It enables us to be organised and on time so that we prevent stressful situations. We can't be punctual unless we plan and organize our tasks smoothly. Thus we can say that punctuality makes us more organized and helps us in managing situations in better ways. It contributes to being more productive in everyday life.

It is an important characteristic of successful people. Success comes from valuing and making productive use of time. Punctuality comes with effective time management of time and completion of tasks. It is also a mark of discipline. It is a virtue that reflects regularity and organized work ethics. These are virtues that come along with punctuality and are important elements for success. For example: if we talk about the job of a 'export assistant'. An 'export assistant' who is punctual will arrive at least 15 -20 minutes prior to the start of shift, will not waste time in talking or whiling away and will use time judiciously and meticulously. Also a punctual person will not leave work prior to the end of assigned/scheduled work time and without prior approval of in charge or supervisor.

A person who is punctual will not extend meal or tea time, will not indulge in workplace gossip and hence will be able to perform better and do quality work.

Benefits of Punctuality

It helps the individuals to be more productive and successful in their general daily lives as well as professional lives. Punctuality is strongly associated with success and achievement in the undertake endeavours. It is associated with general happiness in everyday life as well as successful achievement in various spheres of life. Inculcating punctuality in our lives go a long way in helping us across various hurdles and challenges. Punctuality demonstrates your respect for co-workers and clients and reinforces your time-management skills. It is a sign of professionalism and helps one to stand out as a reliable, dependable and trustworthy employee / worker. Punctuality is often the key to completing projects and assignments quickly and effectively.

Activities

Activity 1:

Visit any factory or company. Talk to their manager and find out the ways in which they manage and check the attendance and punctuality of their staff. Also research online for the latest ways of checking the attendance. Make a PowerPoint presentation using pictures as well as text.

Materials Required:

- 1- Notebook
- 2- Pen
- 3- Pencil
- 4- Eraser
- 5- Computer

Procedure:

1. Visit the company or browse online.
2. Write down the necessary points as directed in the question.
3. Make a PowerPoint presentation.
4. Present in the class and discuss about the same.

Activity 2:

Prepare a chart on the importance of punctuality.

Materials Required:

- 1- Chart paper
- 2- Pictures
- 3- Pen, pencils, markers
- 4- Eraser
- 5- Ruler

Procedure:

- 1- Read and collect materials on punctuality

- 2- Collect pictures.
- 3- Write about punctuality in the chart
- 4- Paste related picture

Check Your Progress

A. Fill in the blanks:

- a. _____ help you stay focused on the things that are most important.
- b. Punctuality is a sign of _____.
- c. Punctuality and regular _____ are vital attributes for all employees.
- d. Work routines help in achieving the _____ and daily targets in an efficient and organized manner.
- e. _____ is often the key to completing projects and assignments quickly and effectively.
- f.

B. Briefly answer the questions that follow:

1. What is meant by routine? Why it is important to have routines?
2. What are work routines and how do they affect production cycle?
3. What do you mean by punctuality? Why is it important?
4. Why is attendance necessary in companies?

ANSWER KEY**MODULE 1****SESSION 1- FILL IN THE BLANKS**

1. Export
2. Insurance policy is
3. PAN

SESSION 2-FILL IN THE BLANKS

1. Export Assistant
2. Export Manager
3. Documents
4. Export

SESSION 3-FILL IN THE BLANKS

1. Internationally
2. Income
3. Brand
4. Marketing

SESSION 4-FILL IN THE BLANKS

1. Bill of Lading
2. Origin
3. Customs
4. Exchange rate

SESSION 5-FILL IN THE BLANKS

1. Currency
2. Currency symbol
3. Currency conversion

MODULE 2

SESSION 1-FILL IN THE BLANKS

1. Exporter
2. Trade reports
3. Written

SESSION 2-FILL IN THE BLANKS

1. Execute
2. Pre
3. Shipping guide

SESSION 3-FILL IN THE BLANKS

1. Importing
2. Custom clearance
3. Duty Drawback
4. Incentives

MODULE 3

SESSION 1-FILL IN THE BLANKS

1. LDP
2. Freight on Board
3. Cost Insurance Freight
4. Cost & Freight

SESSION 2-FILL IN THE BLANKS

1. Logistics
2. Shipping

SESSION 3-FILL IN THE BLANKS

1. Dry Storage
2. Flat rack
3. Top

Module 4

SESSION 1-FILL IN THE BLANKS

1. Materials handling process
2. Clean and ventilated
3. Safe, comfortable
4. Tools and Materials
5. Cleaning and maintenance

SESSION 2-FILL IN THE BLANKS

1. Safety Guards
2. Floor Space
3. Disposal of waste
4. Identified and segregated
5. Economic advantage, Community relation

SESSION 3-FILL IN THE BLANKS

1. Environment health and safety
2. Radiation Hazard

SESSION 4-FILL IN THE BLANKS

1. Spillage, Seepage
2. Thread sucking machine
3. Protective gears

SESSION 5-FILL IN THE BLANKS

1. Housekeeping
2. Inspection, Extinguishers
3. Clean, Systematic and Hazard free
4. Quality Assurance

MODULE 5

SESSION 1-FILL IN THE BLANKS

1. Hazard
2. Safety
3. Mental health and Well being
4. Local ventilation

SESSION 2-FILL IN THE BLANKS

1. Close fitting
2. Ear muff
3. Management
4. Psychological hazards

SESSION 3-FILL IN THE BLANKS

1. Performance
2. Personal hygiene
3. Fit and healthy
4. Tobacco smoke
5. Alcohol

SESSION 4-FILL IN THE BLANKS

1. EMS
2. Plant layout
3. Men, Materials and Machine

MODULE 6**SESSION 1-FILL IN THE BLANKS**

1. Ethics
2. Ethics and Values
3. Honesty, Integrity, Loyalty, Keeping Promises
4. Values
5. Goals
6. Security, Peace

SESSION 2-FILL IN THE BLANKS

1. Policies
2. Procedures
3. Policies
4. Individual, Team responsibilities

SESSION 3-FILL IN THE BLANKS

1. Team
2. Teamwork
3. Direct, Indirect

SESSION 4-FILL IN THE BLANKS

1. Routines
2. Professionalism
3. Attendance
4. Assigned goals
5. Punctuality

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GLOSSARY

Voluntary Tender: A voluntary payment of customs duties on imported merchandise.

Marking duty: Special duty in addition to the ordinary duties imposed upon merchandise not properly marked.

Force Majeure Clause- Force majeure refers to activities that are not under control of any personnel and cannot be anticipated by anyone. Force Majeure Clause is an exhaustive list of activities and/ or conditions which fall under Force Majeure.

Arbitration- It is a list of procedure that is followed while reporting a dispute between two parties to the arbitrators. This helps resolving a dispute privately among the concerned parties.

HS Number and HSN Code- Goods are classified under Harmonized System for which each of the item is given a unique HS number/ code.

GR Form- Guaranteed Remittance Form is a written exchange control document which an exporter needs to submit to the Reserve bank. It contains information about the exporter, consignee and the goods.

AR4 and AR4A- Forms which are used for clearance of excisable goods.

GP Form- Form used for removing excisable goods from a factory or warehouse.

Antifoams- These are chemicals that prevent formation of foams while using liquids in process.

Surfactants- These are chemicals that lower the surface tension between two mediums.

Chelants- These are chemicals that bind to positively charged metal ions such as magnesium and calcium. They are used in cleaning process while using hard water.

Dispersants- These are chemicals that break oil in small particles which can be removed easily.

SOP- Standard Operating Procedures refer to a step by step instruction set by an organization for a particular work.

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