



India Guide

UTC + 5:30

Playing a Growing Role in the Global Economy

India is a country with rich demographics. With a population of 1.3 billion, it is the second most populous country in the world. It has 29 states, each with its own local government, and seven union territories, governed by the Central Government. English is the official language and is commonly understood in the major cities, simplifying the business process.

The International Monetary Fund (IMF) has affirmed that India will be the fastest growing economy in 2018. By 2025, the country also will have 69 cities with a population of more than one million. Economic growth will center on these cities, and the largest infrastructure expansion will take place there.

India's urban transformation represents a huge opportunity for U.S. businesses that can provide capital, technology and planning expertise, as well as the goods and services urban consumers demand.

The U.S. is already India's largest trading partner, and its Foreign Direct Investment in India has continued to grow in sectors such as technology, services and manufacturing. Based on 2016 data, the U.S. is also the country most preferred by Indians for cross-border shopping. This could prove even more significant as India's business-to-business e-commerce market is predicted to grow to \$700 billion (U.S.) by 2020.

UPS can help you navigate local rules, regulations and customs to make your exports easy. This guide is a start, highlighting information you'll need to know when exporting to India.



▲ Key UPS Air Hubs
 ◆ Multiple UPS Facilities
 ● UPS Air and Ocean Freight Forwarding Locations

Country Facts	
Capital:	Delhi
Population:	1,334,221,000 (2018 est.)
Area:	3,287,263 km ² (1,269,219 mi ²)
Language:	English (official), Hindi (most widely spoken), Bengali, Telugu, Marathi, Urdu, Gujarati, Kannada, Malayalam, Oriya, Punjabi, Assamese

Economy	
Currency:	India Rupee (approximately .016 USD/BHD)
GDP (2018 est.):	Purchasing Power Parity \$10.385 trillion (No. 4 in the world) (No. 3 in country rankings)
Major Industries:	Textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, pharmaceuticals
Imports:	\$426.8 billion (2017 est.) Best prospect sectors include: <ul style="list-style-type: none"> • Crude oil • Precious stones • Machinery • Chemicals • Fertilizer • Plastics • Iron • Steel

To learn more, an export market overview for India is available [here](#).➔

Time in Transit

Destination	Non-dutiable (Express Saver)	Dutiable (Express Saver)
New Delhi	3 days	3 days
Mumbai	3 days	3 days

As of March 2018. To calculate times and costs, visit [ups.com](https://www.ups.com).

Sources: Deloitte; McKinsey & Company; CIA World Factbook; The World Bank; Export.gov; Government of India, Ministry of Commerce and Industry, Directorate General of Foreign Trade



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Trade Reforms

- Export Promotion Capital Goods scheme – This allows the import of capital goods for pre-production, production and post-production with a customs duty of zero.
- Merchandise Exports from India Scheme (MEIS) – Duty rewards for the export of notified goods to notified markets under MEIS shall be payable as a percentage of realized FOB value. The U.S. and European Union are in top category A.
- Export and Import Border Compliance costs – These costs have been reduced in New Delhi and Mumbai after merchant overtime fees were abolished.
- Mandatory Documents Required by Customs – This has been reduced to three for the import and export of goods (Bill of Lading, Invoice cum Packing List, Import Declaration).

Prohibited and Restricted Items

Prohibited and restricted items include but are not limited to:

- Animal products, including meats, fats and oils, as well as skins, feathers, fins, furs and bones
- Animal rennet
- Articles of apparel and clothing of wild animals
- Drugs and medicines
- Firearms
- Ivory
- Marble, slate and travertine
- Milk and milk products, including candy and confectionary items
- Newsprint and paper for financial products
- Seeds
- Telephone sets, including for cellular or other wireless networks, and other apparatus for the transmission or reception of voice, image or other data in a wired or wireless network
- Various types of waste and scrap metal

[Find more information on prohibited and restricted items here.](#)➔

UPS Paperless® Invoice

UPS Paperless® Invoice simplifies your paperwork by eliminating the need for paper commercial invoices. It allows you to integrate order and shipment processing electronically, and it reduces customs holds by streamlining the customs clearance process through transmitting information digitally.

[Learn more about UPS Paperless® Invoice here.](#)➔

Import Licensing

The majority of import items fall within the scope of India's Open General License (OGL). Those not covered by the OGL fall into three categories: banned or prohibited items, restricted items requiring an import license, or "canalized" items importable only by government trading monopolies, which are subject to Cabinet approval for quantity and timing.

Import certificate issuing authorities (ICIA) include:

- The Department of Electronics for computers and related items
- The Department of Industrial Policy and Promotion for organized sector firms, excluding computers and related items
- The Ministry of Defense for defense-related items
- Reduced duty rates are available for capital goods in all industry sectors imported with a license under the Export Promotion Capital Goods (EPCG) plan, but are subject to fulfillment of a time-bound export obligation. Imports of secondhand capital goods by end users are allowed without an import license if goods have a residual five-year life span.

A duty exemption plan under various license categories is offered for imports of raw materials, intermediates, components, consumables, parts, accessories and packing materials required for direct use in products to be exported.

An advance license – allowing duty-free import of items physically incorporated into export products – can be issued for:

- Intermediate supplies
- Import Declaration
- Import Licenses
- Ex-factory invoice, freight and insurance certificates
- Letter of Credit

Import Tariffs

Imports and exports in India are monitored by India's Export Import (EXIM) Policy and the Foreign Trade (Development & Regulation) Act of 1992. Before engaging in export-import activities, importers must register with the office of the Director General of Foreign Trade.

The structure of India's duty system has been simplified and is composed of the following:

- BCD – Basic Customs Duty
- SWC Surcharge – Social Welfare Charges
- IGST – Integrated Goods Service Tax
- CMPNSTRY – Compensatory (only applicable for Chapters 21 to 27 and 85 to 87 (as per the Customs Tariff))

In addition to various local taxes and charges, state-level value-added or sales taxes and the Central Sales Tax apply to all imports. India allows importers to apply for a refund of the special additional duty paid on imports that are subsequently sold within India and for which the importer has paid state-level value-added taxes.

[Find out more about India's import tariffs here.](#)➔

UPS Customs Brokerage Enhancements in India

- New customs brokerage technology facilitates pre-clearance, optimizes accuracy, helps to avoid possible disruptions and provides more consistent transit times.
- Expanded airside import facilities help to deliver more predictable and potentially quicker turnaround time for goods entering the country.

[Learn more about UPS Customs Brokerage here.](#)➔

Commodity-Specific Stipulations

There are special stipulations on the following commodities when shipping to India. If you plan to ship one of the commodities listed below, be sure to adhere to the stipulations in order to avoid delays and holds at customs.

- Advertising literature
- Catalogs
- Cellular telephones
- Clothing
- Drugs (also see Medicine)
- Films
- Food
- Jewelry
- Leather goods
- Medical items
- Medicine (also see Drugs)
- Nutritional supplements
- Personal effects
- Radios and radio equipment
- Samples
- Satellite equipment
- Secured/RSA token
- Tapes (Audio, Video, Magnetic)
- Telecommunication equipment
- Textiles
- Toys
- Vitamins

[Learn more about India's country regulations here.](#)➔

Contact your UPS Account Executive, call **1-800-782-7892** or visit [ups.com/middle-east](https://www.ups.com/middle-east) for more information.