COUNTRY OVERVIEW

India, like its neighbour China, is a country of extraordinary contrasts: geographical, social and economic.

It lies in south Asia between Pakistan, China and Nepal. The barren, snow-capped Himalaya, the world’s tallest mountain system, rises along its northern border. South of the Himalaya, the low, fertile Ganges Plain is India’s most populous region. The Great Indian Desert lies in the west, but eastern India receives some of the highest rainfall in the world during the monsoon season (June to October).

India has the second largest population in the world after China (around 1.2 billion) and has mirrored China in terms of its emergence as one of the fastest developing economies during the last 20 years. But like China, its rapid economic growth has resulted in unparalleled wealth and prosperity for an educated and entrepreneurial urban minority whilst the majority of its people still face the daily challenges of poverty, illiteracy and a poor social infrastructure, including health care.

India’s development into a modern open-market economy began in the early 1990s. Policies of economic liberalisation, including industrial deregulation, privatisation of state-owned enterprises and reduced controls on foreign trade and investment served to accelerate the country’s growth, which has averaged more than 7% per year since 1997.

Agriculture still supports more than half of the work force but services are the major source of economic growth accounting for more than half of India’s output. The country has a burgeoning urban middle class and has made great strides in fields such as information technology. Its large, educated English-speaking workforce makes it a popular choice for international companies seeking to outsource work.

However, industry and manufacturing – textiles, chemicals, food, steel – remain big. Today, iconic British brands such as Tetley tea and Jaguar are all Indian owned. The new Land Rover model rolled off the production line in India in May 2011.

But while India’s growth figures may be enviably high, in May 2011 inflation stood at 9% and interest rates were raised in a bid to keep inflation from rising too far. The move served as a reminder that the emerging economies driving global growth are not immune to the high prices for food and fuel around the world.

DHL FACTS

Gateways into the country: 4
Number of Service Centres: 88
DHL Zone: 8
Delivery: Door-to Door Service from DHL
Invoicing: Exports and Imports are billed in Pounds Sterling in the UK

Transit Times

Transit times are affected by the dutiable value of the shipment, due to the expected Customs clearance time.

Times are based on working days.

UK to India - Example Transit Times

<table>
<thead>
<tr>
<th>City</th>
<th>Documents:</th>
<th>Dutiable Shipments:</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Delhi</td>
<td>2 days</td>
<td>3-4 days</td>
</tr>
<tr>
<td>Mumbai</td>
<td>2 days</td>
<td>3-4 days</td>
</tr>
<tr>
<td>Bengaluru</td>
<td>2 days</td>
<td>3-4 days</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>3 days</td>
<td>3-4 days</td>
</tr>
<tr>
<td>Kolkata</td>
<td>2 days</td>
<td>3-4 days</td>
</tr>
<tr>
<td>Chennai</td>
<td>2 days</td>
<td>3-4 days</td>
</tr>
</tbody>
</table>
EXPORTING TO INDIA

ESSENTIAL CUSTOMS INFORMATION

India may have some seemingly odd Customs requirements, for example the duty free clearance of only one shoe per shipment, but it’s simply a case of making sure the rules are followed and you have the right paperwork in place.

80% of all shipments are released by Customs in India on the day of arrival. DHL India exports and imports approximately 13,000 shipments every day.

DUTY FREE ALLOWANCE  INR 10,000  (For bonafide samples and gifts only).

PROHIBITED ITEMS SPECIFIC TO INDIA

DHL’s standard list of prohibited items also applies. In addition the import of milk and milk products, including chocolates, confectionery, food substances etc, where the milk originates from China is strictly prohibited by India.

- Asbestos
- Dangerous goods, hazardous or combustible materials
- Firearms, parts of
- Gambling devices
- Ivory
- Pornography

RESTRICTED ITEMS SPECIFIC TO INDIA

India applies specific restrictions to the goods listed in the table below. If you plan to export these goods to India, call Customer Services to confirm the restriction in place. A license or specific paperwork may be needed for India to accept the goods into the country.

- Alcoholic beverages
- Animal products
- Animal skins
- Antiques
- Books: hardback/paperback non-commercial use
- Bunker oil (sample for analysis)
- Chemicals, non-hazardous
- Coal & firewood
- Coffee
- Computer software
- Cotton seed
- Credit card blanks
- Credit cards
- Diplomatic mail
- Drugs: non-prescription
- Drugs: prescription
- Fabrics & fabric samples
- Films: 8mm, 16mm & 35mm
- Films: entertainment
- Films: promotional, training
- Fire extinguishers
- Foodstuffs
- Furs
- Grain samples
- Industrial equipment
- Jewellery
- Labels
- Leather goods
- Liquids, non-hazardous
- Manuals, technical
- Manuscripts
- Maps
- Medical samples
- Medical/dental supplies & equipment
- Military equipment
- Music, printed or manuscript
- Oil Products
- Passports
- Perishables
- Personal effects
- Plant products
- Plants
- Precious metals & stones
- Price tickets for garments
- Radar equipment - transmitters/receivers
- Radios, radio equipment or parts
- Seeds
- Ship spares
- Shoes
- Sports equipment
- Tapes: audio cassettes
- Tapes: computer
- Tapes: video cassettes
- Telecommunication equipment
- Textile articles
- Tobacco
- Works of art

It should also be noted that old and second hand goods are restricted for import into India. Capital goods (including IT equipment) with a Chartered Engineer Certificate stating that the goods have a residual life of more than 80% will be accepted.

Support with shipping to India, license requirements and specific advice can be found at the links below.

UK Trade and Investment – India

Business Link – Getting Ready to Export to Individual Countries

If you have any questions about Prohibited or Restricted items, please call Customer Services on 0844 248 0844
Indian legislation provides two methods for assessing goods brought into the country by air express. The Express mode applies to shipments under 70kg that are not restricted for import, and is the method commonly applied to shipments sent with DHL Express. The freight mode exists for shipments above 70kg.

Within the Express clearance mode, Indian Customs recognises four distinct categories of shipments:

**Documents**
This category includes general correspondence, legal documents and plans and diagrams that are for the purpose of transmitting information and not commercially produced for mass distribution. Items such as blank forms, magazines, journals, newspapers and shipping schedules are accepted as documents in limited quantities (up to 10). Items shipped in greater quantities or with potential commercial implications, such as advertising brochures, should not be sent as documents. Duty and taxes are not payable on items classed as documents.

**Samples and Free Gifts**
This category includes commercial samples and prototypes that are supplied free of charge, plus bonafide gifts for personal use. The value in all cases must not exceed INR.10, 000. Ensure textile samples are smaller than 100 square meters.

Items in this category are exempt from duty and taxes.

**Low Value Dutiable**
This category covers shipments valued below INR.100, 000. This includes samples and free gifts valued above INR.10,000 and commercial goods up to the value of INR.100,000.

These shipments are allowed pre-flight clearance, which reduces the time necessary for Customs clearance. Shipments above INR 50,000 do however receive additional scrutiny.

**High Value Dutiable**
This category is for shipments valued above INR.100,000. Additional Customs scrutiny should be expected.

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**Exporting – Duties and Taxes Payable**

- **Import duties.** Rates of duty applicable to different commodities are identified in the Customs Tariff as standard rates (generally 0, 12 or 15%) for goods originating from the UK. Basic Customs Duty is levied at the CIF level (Cost, Insurance, Freight and landing).

- **An Additional Duty of Customs,** generally referred to in India as Countervailing Duty (CVD), is levied at a rate equal to the excise duty leviable on like goods produced or manufactured in India (0 to 16%). Additional Duty of Customs is assessed on the total of the Assessable Value (CIF) plus the Basic Customs Duty.

- **Imported goods** (with the exception of certain specified items) are also liable to a 3% + 3% Educational Cess. For all Mumbai destination shipments, Local Municipal Tax (Octroi) is applicable for Import at 5.5% [on the majority of products] of the landed value. (Landed Value = Assessed Value (CIF) plus all customs duties applied)

The relevant duties can be confirmed at: [http://www.cbic.gov.in](http://www.cbic.gov.in)
Click on ‘Central Excise’ then select ‘Tariff’.
ESSENTIAL PAPERWORK

All Indian exporters and importers of dutiable shipments must be registered with the Indian Directorate General of Foreign Trade (DGFT). Registered shippers are provided with an Importer Exporter Code (IEC). All economic operators also need a Permanent Account Number (PAN). These codes should be obtained from your consignee (receiver) or supplier in India and should be clearly stated on the commercial/proforma invoice or on a separate document.

Paperwork required for non-document shipments:

1. DHL Waybill
2. Commercial or Pro-Forma Invoice
   The invoice must be in English and should be on company letter head or include the company seal. It must include:
   • Name and address of the seller/consignor (shipper with EORI/VAT number)
   • Name and address of the consignee (receiver), with IEC number where known
   • Name and address of the buyer, if other than the consignee, with IEC number if known
   • Place and date of issue
   • Invoice number
   • Country of origin
   • Transport information, including vessel/flight number/courier name
   • Terms of delivery and payment (INCOTERMS)
   • Marks and numbers, number and type of packages
   • Exact description of goods, with reference to HS tariff Code
   • Quantity of goods
   • Unit prices and amounts, including net and gross weight
   • Export licence number, or ‘No Licence Required’ as applicable for UK regulations
   • Import licence number, if applicable
   • Signature
   • Values must be in one of the following currencies: Australian Dollar, Canadian Dollar, Danish Krone, Euro, Hong Kong Dollar, Japanese Yen, Norwegian Krone, Pound Sterling, Singapore Dollar, Swedish Krona, Swiss Franc, US Dollar.

Please note that invoices stating ‘No commercial value’ will be subjected to additional Customs checks.

3. GATT Declaration (for shipments valued above INR. 100,000)
   This declaration confirms the value of the shipment. It must be an original document. Please note, evidence of value must accompany the document, as detailed below. An incorrect declaration will result in the shipment being seized.

4. Evidence of Value
   It’s good practice to include evidence of the shipment’s value to help prevent a dispute over the declared value. Acceptable evidence includes:
   • Manufacturer’s International Price List or Internet Price List
   • Product literature
   • Manual and Catalogue, write ups or Technical Literature for laboratory or Electronic equipment

5. Letter of Authority
   This must be given by the Consignee to DHL to act on its behalf. It must be an original copy. Once on file this can be retained for future imports for the same consignee.

6. Packing List (signed)
7. Purchase Order
8. Any applicable Import License/Permit
IMPORTING FROM INDIA

ESSENTIAL CUSTOMS INFORMATION

To commercially import into the UK, the importer must be in possession of an Economic Operator Registration and Identification Number (EORI), issued by HM Revenue and Customs. Guidance and application forms can be found here:

HM Revenue & Customs – EORI Scheme

Importing – Duties and Taxes Payable

The Generalised System of Preferences (GSP) rates of duty apply to India. These lower rates are applied to developing countries to provide greater opportunities for the country to access EU markets.

To claim this preferential rate, the goods imported must meet the rules of origin, with appropriate supporting documentation being supplied at the time of import. This is usually in the form of a GSP Form A – Certificate of Origin, which must be endorsed by an appropriate authority in India.

For low value shipments of less than £5,700.00 it is recommended that the simpler invoice declaration procedure is used. Under this procedure the supplier’s commercial invoice must include the declaration “The exporter of the products covered by this document declares that, except where otherwise clearly indicated, these products are of India preferential origin.”

The applicable duty rates can be found here:
Business Link – UK Trade Tariff

ESSENTIAL PAPERWORK

To Import from India, the following documentation is usually required for Customs clearance in India:

1. Certificate Copy of Importer/Exporter Code (IEC) with Permanent Account Number (PAN), issued by the Director General of Foreign Trade (DGFT)

2. DHL Waybill

3. Commercial Invoice
   - The minimal information required is:
     - Name and address of the seller
     - Name and address of the consignee, with EORI or VAT registration number wherever possible
     - Name and address of the buyer / importer, if other than the consignee, with EORI or VAT registration number wherever possible
     - Place and date of issue
     - Invoice number
     - Country of origin
     - Terms of delivery and payment (INCOTERMS)
     - Marks and numbers, number and type of packages,
     - Exact description of goods, with reference to HS tariff Code
     - Quantity of goods
     - Unit prices and amounts, including net and gross weight
     - Import licence number, if applicable

4. Self Declaration Form (SDF) – Original Copy Required

5. Shipper’s Letter of Instruction (SLI, shipper’s instruction to DHL on how shipment is to be cleared)

FOR FURTHER INFORMATION

Please contact your Account Manager
Contact Customer Services on 0844 248 0844
Go to www.dhl.co.uk
Customs Support online

Business Link has information on how to confirm if your goods require an Export License, and how to obtain any relevant licenses.
Business Link – Do You Need an Export or Import Licence?

For detailed information from the Indian Central Board of Excise and Customs (CBEC) Department, please visit http://www.cbec.gov.in

Support with shipping to India, license requirements and specific advice can be found at:

UK Trade and Investment – India
Business Link – Getting Ready to Export to Individual Countries

For applicable duty rates when importing into the UK:
Business Link – UK Trade Tariff

For information on International Commercial Terms (INCOTERMS):
Business Link – INCOTERMS