

“To Search for products that can be imported from China and sold here in INDIA”

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Tax Structure on electronic items imported from China:

- Things we should keep in mind while importing:
 - Quality.
 - Demand in the market.
 - Product compatibility with Indian standards and it's legal compliance.
- Electronic items often require BIS Certification.
- BIS Overview:
 - Its purpose is to ensure that electronic products sold in India meet Indian safety standards, protecting consumers from potential hazards.
 - Importer must have BIS certificate third party suppliers don't have them.
 - Process of obtaining the certificate:
 - Application submission to BIS portal
 - Sample testing of product in India.
 - Factory inspection.
 - Grant of certification
 - Affixing the BIS mark

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PROCESS OF BIS CERTIFICATION UNDER CRS & FMCS



1. Basic custom duty: Primarily levied on imported goods.

- BCD is calculated as a percentage of the CIF (Cost, Insurance, and Freight) value of the imported goods.
- $BCD = CIF * BCD \text{ RATE}$.
- CIF: the price paid to an exporter for goods that are delivered to a customer's destination port.
- BCD RATE depends on the HS code.
- The HS code corresponds to the product's description. For instance, HS code 8471 covers "Automatic Data Processing Machines," which includes items like laptops, tablets, and computers.
- We can get HS code from DGFT website for the product name.([DGFT Website](#)).
- To get taxes we can use CBIC website with HS code ([CBIC Website](#)).
- To get the Notification SL NO in CBIC website ([CBIC Notification](#)).
- India, a WCO member since 1971, initially used a 6-digit HSN code for Customs and Central Excise duties. Then, they added 2 more digits to HSN Code to be more precise in goods classification for importing, exporting, and taxation. This led to today's 8-digit classification known as ITC-HS Code (Indian Trade Clarification based on Harmonized System of Coding).This extended code is sometimes interchangeably referred to as HSN Code.
- The applicable BCD rate is specified in the Customs Tariff Schedule, which is published by the CBIC (Central Board of Indirect Taxes and Customs).
- We can get IGST for different HS code in GST Official Portal.
- The BCD rates are listed in the Indian Customs Tariff Schedule, which is periodically updated by the Central Board of Indirect Taxes and Customs (CBIC). The schedule lists the BCD rates for different goods based on their HS codes.

2. Social Welfare Surcharge: It is an additional charge applied on BCD.

- SWS is 10 % on BCD.

3. Integrated GST(IGST):

- IGST is applied to the total of the CIF value, Basic Customs Duty, and Social Welfare Surcharge.

- The IGST rate depends on the type of product, typically ranging from 18% to 28% for most goods.
- IGST is calculated as a percentage of the total value (CIF + BCD + SWS).
- The IGST paid can be claimed as an Input Tax Credit (ITC) if the tablet is being imported for business purposes and not for personal use.

4. Landing charges:

- Usually 1% of CIF.

5. Anti – Dumping Duties:

- Additional duties imposed to protect domestic industries from unfairly low-priced imports.
- Varies depending on the product and market conditions. Specific rates are determined by the Directorate General of Trade Remedies (DGTR).
- Review DGTR notifications and the Customs Tariff Schedule, to cross check whether an product as anti dumping duty or not.

6. Additional duties or cesses:

- Certain electronic items might attract additional duties or cesses based on trade policies and local manufacturing incentives.



Examples:

1. **Example1:** Let's assume that we are importing a tablet from China with the following details:

Category	Cost (₹)
CIF Value	₹30,000
BCD	₹3,000
SWS	₹300
IGST	₹5,994
Total Duty & Taxes	₹9,294
Total Cost Including Taxes	₹39,294

2. **Example2:** Example Comparison: Ocean vs. Air Freight

- Let's say we're importing tablets with a base cost of ₹50,00,000 and the following costs for each method:
- **Ocean Freight:** ₹1,00,000
- **Air Freight:** ₹2,50,000
- **Insurance:** ₹10,000 (same for both methods)

Category	Ocean Freight	Air Freight
CIF Value	₹51,10,000 (₹50,00,000 + ₹10,000 + ₹1,00,000)	₹52,60,000 (₹50,00,000 + ₹10,000 + ₹2,50,000)
Landing Charges (1% of CIF Value)	₹51,100	₹52,600
Assessable Value	₹51,61,100 (CIF + Landing Charges)	₹53,12,600 (CIF + Landing Charges)
BCD (10%)	₹5,16,110 (10% of Assessable Value)	₹5,31,260 (10% of Assessable Value)
SWS (10% of BCD)	₹51,611	₹53,126
IGST (18%)	₹10,41,187.78	₹10,61,457.48
Total Taxes	₹16,08,908.78	₹16,45,843.48

➤ **Freight charges depends on many factors:**

1. **Fuel:** Freight charges can fluctuate based on the cost of fuel. Airlines and shipping companies often add fuel surcharges to the base freight rate, which can vary depending on current fuel prices.
2. **Type of goods:** Delicate items require handling charges, extra packaging, insurance.
3. **Volume of goods:** volume especially in air freight when the product is lightweight but bulky or else they go for weight checking.
4. **Ports/Airports:** Depends on the ports/airports which handle the good coz some might be expensive due to congestion and might be cheap due to its ability to handle huge volume of shipments.
5. **Seasonal demand:** peak season – high demand, off season – low demand.
6. **Shipping services:** depends upon different logistic companies.

Step-by-Step Process on How to Import from China to India:

1. **Finding the right supplier in china :** A reliable supplier can make your importing process smooth, cost-effective, and hassle-free. The supplier you choose will directly impact the quality of your products, the cost of your goods, and the efficiency of the shipping process. They are not just a source for our products; they are a partner in our business. Therefore, it's essential to find a supplier who is reliable, trustworthy, and aligned with your business goals.
2. **Obtain Necessary Documents required:** BIS Certificate, Import Authorization, Product safety certificates, insurance certificate, Invoice etc, must contact customs broker for detailed documents.
3. **Choosing the Right Shipping Method:**
 - Air freight: Short duration, lightweight, High valued goods.
 - Sea freight: Large volumes, Bulk items, Cost effective.
 - Courier Services: Small packages or documents.
 - Engage a freight forwarder to handle logistics. They will manage the shipment, ensure proper packaging, and handle the customs clearance process.
4. **Clearing customs formalities.**
5. **Arranging for delivery.**



Electronic Products that can be brought from China:

- Graphics tablets, drawing tablets and stylus pens.
- Document cameras.
- Smart Interactive whiteboards.
- Webcams and Microphones.
- Ring Lights and Studio Lighting kits.
- E readers.
- Headphones or earbuds.
- Soundbars or speakers.
- Wi-fi routers and extenders.
- Clickers and audio response systems.
- VR and AR devices.
- Smart notebooks.
- Laptops and its stand.
- LMS accessories:
- **Server and storage solutions:** External hard drives, NAS (Network Attached Storage), and cloud backup solutions for secure data storage.
- **USB Hubs and Docking Stations:** Expand connectivity options for laptops and tablets used in online education.
- Ergonomic chairs and desks.



THANK YOU