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Electronics Import-Export Law & Customs Regulation

BCD on Components & Finished Goods,
SCOMET Controls, DGFT, FTAs &
Duty Exemption Schemes



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CHAPTER ONE

Customs Duty Architecture for Electronics

ITA-1 Commitments, BCD Structure, IGST on Imports, Phased Manufacturing Programme and Tariff Strategy

India's customs duty architecture for electronics reflects a carefully calibrated balance between its WTO commitments (which bind zero duty on ITA products), its industrial policy goals (which require escalating duties to incentivise localisation), and its consumer welfare objectives (which prefer lower import costs for essential digital infrastructure). Navigating this architecture is essential for every electronics importer and manufacturer.

1.1 ITA-1 Commitments and Zero-Duty Products

India is a signatory to the WTO Information Technology Agreement (ITA-1), concluded at the Singapore Ministerial Conference in 1996 and implemented from 1997, under which it committed to progressively reduce and ultimately eliminate customs duties on a specified schedule of IT products. The ITA-1 product schedule covers the core categories of information technology goods: computers, computer peripherals and storage devices, telecommunications equipment, semiconductors and ICs, software on physical media, scientific instruments, and their parts and components. For India, the ITA-1 commitment means that basic customs duty (BCD) on ITA-listed products must be at zero — a binding WTO commitment that India cannot

unilaterally revoke. The practical implication for electronics importers is that a significant range of core electronics products attract zero BCD on importation into India: laptops, personal computers, servers, networking equipment (routers, switches, access points), semiconductors and ICs, and most electronic components used in IT equipment benefit from the ITA-1 zero-duty commitment. However, the ITA-1's zero-duty commitment does not extend to IGST (which is not a customs duty but a GST levied at the border as a compensatory measure to achieve tax parity between imports and domestically manufactured goods) — so even ITA-1-listed products pay IGST (at 12% or 18% depending on the HSN classification) and the Social Welfare Surcharge on their landed value.

India participated in the expansion of the ITA product coverage under the ITA Expansion Agreement (ITA-2) reached at Nairobi in 2015, which eliminated tariffs on an additional 201 product categories including: flat panel displays, GPS devices, medical devices with electronic components, new generations of semiconductors, and certain categories of consumer electronics. However, India's implementation of ITA-2 commitments has been contested in WTO dispute settlement proceedings, with the European Union and Japan challenging India's imposition of BCD on components used in mobile phones and television sets — products that the EU and Japan contend fall within the scope of the ITA commitments. India has maintained that its Phased Manufacturing Programme duties on mobile phone and TV components are consistent with ITA obligations because the duties apply to components rather than the finished products explicitly listed in the ITA schedule, a position that has been rejected by the WTO dispute settlement panel. The outcome of this dispute — and the potential requirement for India to eliminate or reduce PMP duties on certain components — has significant implications for the economics of India's localisation policy and must be monitored by practitioners advising clients on long-term supply chain investment decisions.

1.2 BCD Structure for Non-ITA Electronics

For electronics products not covered by the ITA zero-duty commitment — primarily consumer electronics, home appliances, and certain telecommunications terminal equipment — India's BCD rates are significantly higher. The current BCD rates for major non-ITA electronics categories include: colour television sets above 32 inches (BCD 20%); LED/LCD televisions below 32 inches (BCD 15%); mobile phones (BCD 0%, ITA listed, but customs duty of 20% on PCBA used in mobile phones under PMP); refrigerators and washing machines (BCD 20%); microwave ovens (BCD 20%); air conditioners (BCD 20%); smart speakers and home automation devices (BCD 20%). The IGST applicable to these products ranges from 12% to 28% depending on the product category — consumer electronics attract 18% IGST, while large televisions and premium appliances attract 28% IGST plus compensation cess in some categories. For importers of premium consumer electronics — high-end audio equipment, gaming consoles, professional audio-visual equipment — the combined BCD and IGST incidence (plus the social welfare

surcharge of 10% on BCD) can represent 30–45% of the landed cost, creating a significant price premium compared to the same products available in markets like Singapore, Dubai, or Hong Kong. This price differential is the primary driver of the grey market in premium electronics in India, where consumers purchase products abroad (or through informal import channels) to avoid the domestic duty burden.

1.3 Valuation of Electronics Imports: Key Issues

The customs valuation of electronics imports — determining the "transaction value" on which duty is assessed — is a frequent source of disputes between importers and customs authorities, particularly for high-value consumer electronics imported through related-party transactions. The Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 require the customs value to be the transaction value — the price actually paid or payable by the Indian buyer to the overseas seller for the goods — adjusted for freight and insurance to arrive at the CIF (Cost, Insurance, Freight) value at the Indian port of entry. For transactions between related parties (such as a multinational consumer electronics company's Indian subsidiary importing from its overseas parent), customs authorities have the power to reject the declared transaction value if they have reason to believe the relationship has influenced the price, and to determine customs value using alternative methods. The prevalence of customs valuation disputes in electronics imports reflects both the complexity of transfer pricing in global electronics supply chains and the aggressive stance of India's revenue authorities in scrutinising related-party import pricing. Large electronics companies with significant India import programmes — particularly those importing high-value components like display panels, camera modules, and semiconductors from group entities — should maintain comprehensive transfer pricing documentation that simultaneously supports their income tax transfer pricing position and their customs valuation position, addressing the "twin scrutiny" risk of both authorities challenging the same price from opposite directions.

SCOMET Controls: Dual-Use Electronics Export Law

SCOMET List, Dual-Use Categories, Licence Procedure, End-User Certificates and Penalties

India's SCOMET export control framework — covering Special Chemicals, Organisms, Materials, Equipment and Technologies with potential military or strategic applications — imposes licensing requirements on the export of specified electronics items that have both civilian and military potential. For electronics manufacturers and exporters, SCOMET compliance is a critical but often overlooked regulatory obligation.

2.1 SCOMET: Legal Basis and Regulatory Framework

India's export control framework for dual-use items, including specified electronics, is administered by the Directorate General of Foreign Trade (DGFT) under the authority of the Foreign Trade (Development and Regulation) Act, 1992. The SCOMET (Special Chemicals, Organisms, Materials, Equipment and Technologies) list — appended to Schedule 2 of the ITC(HS) and updated periodically through DGFT notifications — identifies the categories of goods and technologies that require a specific export licence (a "SCOMET licence") before they can be exported from India. Category 5 of the SCOMET list covers electronics: specifically including telecommunications equipment (signal jamming devices, military communications equipment), information security equipment (encryption devices with specified key lengths), sensors and lasers (thermal imaging cameras above specified sensitivity thresholds), and high-performance electronic components (radiation-hardened semiconductors, certain classes of high-speed analog-to-digital converters). Category 6 covers "sensors and lasers" with electronics applications in space, military, and intelligence systems. Category 8 covers "aerospace and propulsion systems" electronics. The practical compliance challenge is that the line between civilian and SCOMET-controlled electronics is not always apparent — a high-resolution thermal camera that is commercially available for building inspection purposes may nonetheless meet the technical parameters that trigger SCOMET control, requiring the exporter to obtain a licence before export even if the intended end-use is entirely civilian.

2.2 SCOMET Licence Procedure and End-User Certificate

An Indian exporter who proposes to export a SCOMET-controlled item must submit a SCOMET licence application to the DGFT, supported by: a detailed description of the item to be exported and its technical specifications; the name and address of the end-user (the overseas entity that will ultimately receive and use the item); an End-User Certificate (EUC) — a declaration from the end-user undertaking that the item will be used only for the declared purpose and will not be re-exported or transferred to a third party without India's prior consent; and the shipper's export

declaration confirming the classification of the item. The DGFT processes SCOMET licence applications through an inter-ministerial consultation involving the Departments of Defence, Atomic Energy, and Space (for items with potential defence, nuclear, or space applications) and the Ministry of External Affairs (for geopolitical sensitivity assessment of the destination country). Processing timelines for SCOMET licences vary from a few weeks (for straightforward civilian applications to non-sensitive destinations) to several months (for items with significant dual-use potential or for destinations of geopolitical concern). Exporters who are uncertain whether a specific item requires SCOMET control can seek a classification opinion from DGFT — a valuable risk management tool that provides regulatory certainty before a commercial commitment is made.

2.3 Catch-All Controls and Deemed Exports

India's SCOMET framework includes "catch-all" controls — provisions that require a SCOMET licence even for items not explicitly listed on the SCOMET list if the exporter knows or has reason to know that the items will be used in connection with weapons of mass destruction development, missile development, or military activities of a country of concern. The catch-all controls place a due diligence obligation on all electronics exporters to screen their customers and end-uses for SCOMET red flags — not merely to check whether the specific item exported is on the SCOMET list. For electronics companies with large international customer bases, this due diligence obligation requires: screening new customers against government-published denied party lists; requiring end-use and end-user representations from customers for potentially sensitive products; and maintaining records of the due diligence conducted for each significant export transaction. Electronics companies that have developed mature export compliance programmes for other jurisdictions (particularly US EAR — Export Administration Regulations and the EU Dual Use Regulation) will find that their existing compliance infrastructure is largely adaptable to India's SCOMET framework, which shares similar structural principles with the international export control regimes to which India is progressively aligning.

DGFT Framework and Foreign Trade Policy for Electronics

FTP 2023, ITC(HS) Classification, Advance Authorisation, EPCG and RoDTEP for Electronics

3.1 Foreign Trade Policy 2023 and Electronics Sector

The Foreign Trade Policy 2023, notified by the Ministry of Commerce and Industry in March 2023, provides the comprehensive framework governing India's import and export of goods including electronics. The FTP 2023 replaces the FTP 2015-20 with an updated policy architecture reflecting the government's renewed emphasis on export promotion, manufacturing competitiveness, and import substitution. For the electronics sector, the FTP 2023's most commercially significant provisions are: the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme which provides exporters with a duty credit for the embedded taxes and duties that are not otherwise recoverable; the Advance Authorisation scheme which enables duty-free import of inputs for export production; the Export Promotion Capital Goods (EPCG) scheme which enables duty-free import of capital equipment against an export obligation; and the status holder programme which provides facilitated customs clearance and priority access to export promotion schemes for established exporters. The FTP 2023 specifically recognises the electronics sector as a focus sector for export promotion, with MEITY and the Department of Commerce jointly identifying electronics as a priority area for India's participation in global value chains, supported by the production PLI programmes and the FTP's export facilitation instruments.

3.2 ITC(HS) Classification for Electronics

The Indian Trade Classification based on the Harmonised System (ITC(HS)) provides the product classification framework for determining the applicable import duty rates, export incentive rates, and import policy conditions for electronics goods. Key ITC(HS) headings for electronics include: Chapter 84 (machinery and mechanical appliances) covering computers, printers, scanners, and data processing equipment; Chapter 85 (electrical machinery and equipment) covering phones, TVs, audio equipment, LEDs, semiconductors, PCBs, cables, batteries, and most electronic components; Chapter 90 (optical, photographic, measuring and medical instruments) covering cameras, monitors used as medical equipment, and some precision electronics. The correct classification of a specific electronics product under the ITC(HS) is both a technical exercise (requiring analysis of the product's function, primary use, and principal characteristics in accordance with the General Interpretative Rules) and a legal exercise (requiring knowledge of customs department classification decisions, tariff commission rulings, and Customs, Excise and Service Tax Appellate Tribunal (CESTAT) precedents). Incorrect

classification — whether through honest error or deliberate misdeclaration — creates significant customs liability: the demand of unpaid duty, interest, and penalties can substantially exceed the original duty saving, and deliberate mis-classification can constitute a customs fraud offence under Section 132 of the Customs Act, 1962.

3.3 Advance Authorisation for Electronics Manufacturing

The Advance Authorisation (AA) scheme under the FTP 2023 permits electronics manufacturers who export their products to import the required raw materials, components, and sub-assemblies duty-free (exempt from BCD, IGST, and compensation cess), against a pre-defined input-output norm or an ad hoc norm approved by the DGFT. The AA is issued for a specific export product with a specified Standard Input Output Norm (SION) that defines the permitted quantity of each input per unit of the exported product. For a mobile phone manufacturer exporting mobile phones, the SION defines the permitted quantity of PCBAs, display modules, cameras, batteries, connectors, and housing components that can be imported duty-free per exported phone. The AA framework creates a significant cost advantage for export-oriented electronics manufacturers: the effective duty-free procurement of imported components (which can account for 60–70% of a mobile phone's total component value) reduces the manufacturing cost in India and improves the competitiveness of Indian-manufactured electronics in global markets. The AA compliance obligation — exporting the specified quantity of the finished product within the validity period (typically 18 months from AA issuance) and submitting the export obligation discharge certificate (EODC) to DGFT — requires careful production and export planning to avoid the penalty consequences of non-fulfilment.

Free Trade Agreements and Electronics Trade

India-ASEAN FTA, India-UAE CEPA, India-South Korea CEPA, Rules of Origin and Future FTA Negotiations

4.1 India-ASEAN FTA: Electronics Trade Implications

The India-ASEAN Free Trade Agreement in Goods, in force since January 2010, provides preferential customs duty rates for goods originating in ASEAN countries exported to India and vice versa, covering a broad range of electronics products. For the electronics sector, the India-ASEAN FTA is most commercially significant for: imports of electronic components and sub-assemblies manufactured in Vietnam, Thailand, and Malaysia (which host major electronics manufacturing operations of global brands including Samsung, Intel, Foxconn, and others); imports of consumer electronics finished goods assembled in ASEAN (including TVs from Vietnam, audio equipment from Thailand, and computer peripherals from Malaysia); and exports of Indian-manufactured electronics to ASEAN markets. The preferential duty rates under the India-ASEAN FTA are specified in the ASEAN-India Trade in Goods Agreement's tariff schedule, and range from zero duty (for many electronics components and IT products) to reduced rates well below India's MFN rates for consumer electronics categories. To qualify for ASEAN FTA preferential rates on importation into India, the goods must meet the applicable Rules of Origin — generally requiring that goods undergo "substantial transformation" in the ASEAN country of origin, defined as either a specified change in tariff classification or meeting a Regional Value Content threshold (typically 35% or 40% of the FOB export value). Electronics goods assembled in ASEAN from predominantly non-ASEAN origin components (such as devices assembled from Chinese-origin PCBAs) may fail the Rules of Origin test, disqualifying them from the ASEAN FTA preferential rate — a compliance risk that CAROTAR (Customs Administration of Rules of Origin under Trade Agreements Rules, 2020) has made more actively enforced through enhanced documentation requirements for FTA claims.

4.2 India-UAE CEPA: Electronics Provisions

The India-UAE Comprehensive Economic Partnership Agreement (CEPA), which entered into force in May 2022 and was India's first CEPA with a major trading partner in over a decade, provides important trade facilitation for electronics: zero-duty access to the UAE market for a wide range of Indian electronics exports; preferential duty rates for UAE-origin goods imported into India across a range of tariff lines; and provisions facilitating electronics sector investment and services trade between the two countries. For Indian electronics exporters, the India-UAE CEPA is significant because the UAE is both a major market for Indian electronics (directly) and a re-export hub for the broader Gulf and Middle East market — a market of 300+ million consumers with high electronics adoption rates. The UAE-India CEPA's rules of origin for

electronics require that goods exported from the UAE to India must meet minimum UAE value addition thresholds to qualify for preferential treatment, and India's customs authorities have been alert to the risk of trans-shipment abuse — third-country (primarily Chinese) electronics being routed through UAE with minimal processing to claim UAE CEPA preferential rates without genuine UAE value addition. For Indian electronics exporters to the UAE, the CEPA's market access provisions support a direct India-UAE bilateral trade that is commercially attractive given the UAE's low or zero corporate tax environment, its status as a global logistics hub, and the large Indian diaspora consumer base in the Gulf region.

4.3 India-South Korea CEPA: Component Trade

The India-Republic of Korea Comprehensive Economic Partnership Agreement (CEPA), in force from January 2010, has been an important facilitator of electronics component trade between the two countries. South Korea is a major global producer of semiconductors (Samsung Semiconductor, SK Hynix), display panels (Samsung Display, LG Display), and smartphone components, and several of these Korean-origin components flow to India's electronics assembly industry under CEPA preferential rates. The CEPA provides zero or reduced duty on specified electronics goods, and its utilisation in the electronics sector has grown as India's mobile phone and consumer electronics assembly operations have expanded. For legal practitioners advising clients on sourcing decisions, the India-South Korea CEPA preferential rate — particularly for display panels, DRAM, NAND flash, and camera sensors — can provide a meaningful cost advantage compared to the same components sourced from China (at MFN duty rates) or Taiwan (no FTA, so MFN rates apply). The Rules of Origin for Korean CEPA benefit require Korean value addition and Korean export documentation — a compliance requirement that Samsung's Korean manufacturing operations naturally satisfy, but that must be verified carefully for smaller Korean component suppliers who may source significant material from Chinese suppliers before processing in Korea.

Export Promotion, Duty Exemption Schemes and Trade Remedies

RoDTEP, EOUs, Anti-Dumping on Electronics Components, and Grey Market Enforcement

5.1 RoDTEP for Electronics Exports

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, launched in January 2021 as the successor to the MEIS scheme, provides electronics exporters with a duty credit (as a percentage of the FOB export value) to compensate for embedded indirect taxes and duties that are not otherwise refunded through the GST mechanism. The RoDTEP rates for electronics exports are notified by the Inter-Ministerial Committee on RoDTEP and are periodically reviewed; for most electronics categories the rates range from 0.5% to 3% of FOB export value, covering estimated embedded costs such as fuel taxes on transport, non-refundable state-level levies, and other indirect duty incidence not captured in the GST refund. While the RoDTEP rates are modest compared to the old MEIS rates (which were often 2-5% and covered a broader cost base), RoDTEP provides a legitimate WTO-compatible export incentive — unlike MEIS, which was found by the WTO dispute settlement body to violate the WTO's Subsidies and Countervailing Measures Agreement. For large electronics exporters (mobile phone manufacturers, laptop assemblers, component exporters), even a 1-2% RoDTEP rate on high-volume export values represents a significant annual cash benefit that improves the economics of India-based export manufacturing relative to competing locations.

5.2 Export Oriented Units for Electronics

The Export Oriented Unit (EOU) scheme, governed by Chapter 6 of the FTP 2023 and administered by the Development Commissioners of SEZ/EOU offices, provides comprehensive duty and tax benefits to manufacturing units committed to exporting 100% of their production (subject to permitted DTA sales of up to 50% of production value at the applicable customs duty). Electronics EOUs benefit from: duty-free import of all goods (capital equipment, raw materials, components) used in EOU production; IGST exemption on domestic procurement; and income tax exemptions for specified periods. EOUs must maintain detailed records of their inputs and outputs, demonstrate positive net foreign exchange (NFX) over the 5-year operating period (aggregate export earnings exceeding aggregate import cost), and submit annual performance reports to the Development Commissioner. For EMS (Electronics Manufacturing Services) companies and ODM manufacturers who produce primarily for export — a common business model for companies that serve as contract manufacturers for global electronics brands — the EOU framework provides a comprehensive fiscal incentive package that is comparable to the benefits available in SEZ zones, without requiring the geographic restriction of an SEZ

(EOUs can be established in existing industrial areas without requiring a dedicated SEZ enclave).

5.3 Anti-Dumping Duties in Electronics Sector

The Directorate General of Trade Remedies (DGTR) has conducted anti-dumping investigations affecting several electronics product categories, imposing definitive anti-dumping duties that protect domestic manufacturers from unfair competition from below-cost imports. Anti-dumping measures currently or recently in force affecting electronics include: anti-dumping duty on flat panel displays (LCD, OLED) from China (protecting the emerging Indian TV panel manufacturing segment); anti-dumping duty on solar cells and modules from China (protecting domestic solar manufacturing, with significant electronics sector applications); and anti-dumping duties on optical fibre cables and telecom equipment components from China. For electronics importers and manufacturers who use the affected products as inputs, anti-dumping duties significantly increase input costs and require supply chain adjustments to source from non-duty-affected countries or to develop domestic supply. The anti-dumping duty investigation process — involving DGTR investigation, MFN and non-preferential trade data analysis, injury determination, and provisional and final duty recommendation — typically takes 12-14 months, during which provisional duties may be applied from as early as 6 months after investigation initiation. Electronics companies whose input supply chains include potential anti-dumping targets must monitor DGTR investigation status actively and plan supply chain transitions in advance of final duty imposition.

Booklet III Key Takeaways: India's electronics import-export legal framework is shaped by the tension between WTO ITA commitments (zero duty on IT products) and domestic industrial policy goals (Phased Manufacturing Programme duties to incentivise localisation). SCOMET export controls apply to specified dual-use electronics — a non-obvious compliance obligation for technology exporters. The DGFT's export promotion tools (AA, EPCG, RoDTEP, EOU) collectively create a meaningful fiscal incentive for export-oriented electronics manufacturing. FTA benefits under ASEAN, UAE, and South Korea CEPAs require careful rules of origin analysis under the CAROTAR framework. Anti-dumping risks on electronics components require proactive supply chain monitoring. Legal practitioners advising electronics sector clients must integrate customs, export control, FTA compliance, and trade remedy expertise to provide commercially effective guidance.

Electronics Trade Law: Advanced Compliance Issues

Customs Disputes, Transfer Pricing, Grey Channel Controls, GST on Electronics Imports and Trade Finance

C.1 Customs Classification Disputes in Electronics

Customs classification disputes — arising from the assignment of an imported electronics product to the incorrect HS heading or sub-heading, resulting in an incorrect duty rate — are among the most commercially significant and legally complex customs law issues for electronics importers in India. The primary classification disputes in the electronics sector involve: the distinction between "computers" (heading 8471, ITA zero-duty) and "electronics products" (various headings with positive BCD) for products at the boundary of the computer definition (such as media streaming devices, set-top boxes with embedded computing, and single-board computers); the distinction between "parts and accessories of computers" (heading 8473, zero BCD under ITA) and "electronic components" (various Chapter 85 headings with positive BCD) for component imports used in computer assembly; and the distinction between "mobile phones" (8517, zero BCD) and other electronic communication devices (various subheadings with different BCD rates) for products that combine phone functions with other primary functions. CESTAT (the Customs, Excise and Service Tax Appellate Tribunal) and the High Courts have issued numerous decisions on electronics classification disputes, and practitioners advising electronics importers must maintain current knowledge of applicable CESTAT precedents for their specific product categories to proactively manage classification risk rather than waiting for a post-clearance audit to identify classification issues.

The ITA Expansion Agreement classification dispute — in which the EU and Japan have challenged India's imposition of BCD on mobile phone components, flatscreen monitors, and other products they argue are covered by the ITA commitments — has created a cloud of regulatory uncertainty over India's PMP duty framework. Companies importing components that are subject to the PMP-imposed BCD on the basis that they are covered by ITA commitments face a difficult compliance choice: paying the current BCD as assessed by customs authorities (avoiding any risk of customs detention or penalty, but paying potentially avoidable duty); or claiming ITA exemption on the basis that the WTO panel's finding supports zero BCD on these products (risking customs detention and potential penalty if the claim is rejected by Indian customs authorities, but avoiding the duty if the claim is accepted). Pending final resolution of the WTO dispute (which may require India to comply with the panel's ruling and modify its PMP duty schedule), companies who have paid PMP BCD under protest can preserve their right to claim refunds if the WTO outcome ultimately establishes that the duty was inconsistently imposed — a claims preservation strategy that requires specific customs protest documentation.

C.2 GST on Electronics: Key Compliance Issues

The GST framework for electronics encompasses a complex rate structure across different product categories: laptops, tablets, and computers attract 18% IGST on import; smartphones attract 12% IGST (subject to periodic GST Council decisions); LED televisions attract 18% IGST; consumer appliances (refrigerators, washing machines) attract 18%; electronic components and semiconductors attract 18% or 12% depending on the specific HSN. Input Tax Credit (ITC) for electronics businesses is available on all B2B purchases at the full IGST rate, subject to the standard ITC conditions (valid tax invoice, receipt of goods, seller's GSTR filing). However, specific ITC restrictions apply in electronics: Section 17(5)(a) of the CGST Act blocks ITC on electronic goods purchased for use as "gifts" to employees or customers (a common practice in the electronics sector for product seeding and influencer marketing programmes), and the treatment of demonstration units and sample devices used by sales teams creates ITC complexity (demonstration devices are used for business purposes but are not directly sold, raising questions about ITC eligibility that are addressed through CBIC circulars). For electronics companies with large B2C sales, the reverse charge mechanism (RCM) applies to specified services purchased from unregistered vendors — a compliance obligation that requires electronics brands to periodically audit their vendor payment records for unregistered vendors providing services above threshold values.

C.3 Export Finance and Trade Instruments for Electronics

Electronics exporters have access to a range of trade finance instruments that support their export operations, provided through the Export-Import Bank of India (EXIM Bank), the Export Credit Guarantee Corporation of India (ECGC), and commercial banks under the Priority Sector Lending framework. Key trade finance instruments include: pre-shipment export credit (packing credit) at concessional interest rates for financing the working capital required to produce electronics products ordered for export before the shipment occurs; post-shipment export credit for financing the period between shipment and receipt of payment from the overseas buyer; buyer's credit facilities arranged by EXIM Bank to enable Indian electronics exporters' international customers to finance their purchases from India at competitive interest rates; and ECGC export credit insurance that protects electronics exporters against the risk of non-payment by international buyers (particularly valuable when expanding into new export markets with unfamiliar buyers). For electronics EMS companies and component manufacturers who export to global OEM customers on 60–90 day payment terms, the packing credit and post-shipment credit instruments can significantly reduce the working capital cost of export operations, improving the financial economics of the export business relative to domestic sales where faster payment terms are typically negotiated.

C.4 Anti-Dumping Risk Management for Electronics Inputs

Anti-dumping investigations affecting electronics components — whether by India against imported components, or by destination markets against Indian electronics exports — create specific risk management challenges that legal practitioners must address proactively. For Indian electronics manufacturers who use imported components subject to anti-dumping investigation: the investigation initiation (which may result in provisional duties within 6 months) requires rapid supply chain assessment to identify alternative sourcing options that are not subject to the investigation; the provisional duty imposition (at rates that can be 10–40% of the component value) creates an immediate cost impact that must be factored into product pricing decisions; and the final duty determination (which can differ materially from the provisional rate) may require retrospective adjustment of pricing commitments made during the provisional duty period. Managing anti-dumping risk requires: proactive participation in DGTR investigation proceedings (through submission of data on domestic industry impact and exporter questionnaire responses if the company is itself an exporter of the investigated product); legal analysis of whether any anti-dumping circumvention measures are applicable; and commercial negotiation with component suppliers in the investigated country about price adjustments that reflect the anti-dumping duty burden. For Indian electronics exporters who face anti-dumping investigations by destination market authorities (such as US International Trade Commission investigations against Indian solar panels or networking equipment), the legal response involves engaging US or EU anti-dumping counsel to represent the Indian exporter in the investigation proceedings, which includes questionnaire response preparation, plant inspection cooperation, and advocacy before the investigating authority and trade court.

Booklet III — Complete Summary: Electronics trade law in India is shaped by the tension between WTO commitments and domestic industrial policy, creating a complex and actively contested regulatory environment. ITA commitments require zero duty on IT products while PMP policy imposes duties on components — a tension currently before WTO dispute settlement. SCOMET controls on dual-use electronics require proactive compliance programmes beyond simple product list checking. The full range of export promotion instruments (AA, EPCG, RoDTEP, EOU) provides meaningful fiscal support for export-oriented electronics manufacturing. Anti-dumping risk management requires ongoing monitoring and proactive legal engagement. Practitioners advising electronics trade clients must integrate customs, export control, FTA, GST, and trade finance expertise to provide comprehensive guidance.