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Ref.No.MAIT/PY/1653

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Shri Sanjay Kumar Rakesh
Jt. Secretary
Ministry of Electronics & IT

Respected Sir,

Request for clarification on CRO applicability on products imported solely for Export

Greetings from MAIT!

We are writing to understand the applicability of CRO on the products imported solely for the purpose of Exports. While there is clarity on the products manufactured in India for exports, but the BIS Notifications, guidelines or FAQ remain silent on BIS exemption for import of inputs like chargers that are needed for the final exports of phones.

Indian electronics manufacturing is fast approaching global efficiency and is well poised to become a global supplier of electronic products, particularly smartphones. While on one hand we are working on catering to the rest of the World and on the other we still are struggling with such challenges, where due to non-clarity in certain regulations, the processes are unknown and take a long time and ultimately time lost is business lost.

Background

- A few of our member companies are manufacturing phones for exports, however, the charger has to be imported to be clubbed together and exported to US/UK/EU.
- These inputs like chargers are as per specifications of the importing country and hence will never qualify for BIS because of differences in pin shapes, power requirements, etc. For example: Mexico/ United States require charger with US pin configuration and / Saudi Arabia & United Kingdom require UK pin configuration.
- As per Customs, any chargers imported into India must comply with BIS standards. Since the US pin charger / UK pin charger does not have a BIS number printed on it, Customs would deny clearance without BIS certification or any exemption letter from MeitY.
- The feedback from BIS approved lab is that BIS will not be qualifying those products, which are not meant for India use and are exclusively for exports, as it will fail the lab tests.
- While the rules exempt products "Manufactured for" exports and does not mention about "Imports for Exports".
- Also taking cognizance of this requirement of imports of input for exports, the CRO FAQ (S.No 40, Page 20/21) has exempted drivers for manufacture of LED luminaires meant for exports. Industry was of the assumption that same treatment would apply to import of inputs for other export products also, however, we have been given to understand that companies would be required to make an application to MeitY each time such an exemption is required (**Refer Annexure**).

- Export demands are dynamic and can fluctuate for various reasons. It is pertinent to have supportive regulations that allow benefit of economies of scale and help cater to fluctuating demand in international markets. To secure separate permission for each consignment would be a tedious and time-consuming process.


Recommendations

- In view of the above factors, we hereby request clarity under BIS regulation to facilitate exports from India
 - Kindly issue a clarification to exempt import of inputs without BIS for such products that are finally destined for exports. (inputs as charger and Battery being imported which are finally destined for export shipments with final product). To keep a check on the inputs and final exports, Customs can be given an LUT on the number of inputs imported and the final exports.
 - Review the BIS guidelines and FAQ and make necessary amendments

We would request you to kindly look into the matter urgently and also request you to give us an **appointment on 6th December 2018 at a time convenient to you.**

I would greatly appreciate your kind confirmation.

With warm regards,



Anwar Shirpurwala
Chief Executive Officer

Updated (Revision 11): Dated 12th June 2017

40. What are the different scenarios in a typical LED luminaire and clarification may be provided on applicability of CRS in such conditions?

Possible Scenario	Coverage under CRS
Locally manufactured LED Driver board (without encapsulated in box - sub assembly stage) on job work for soldering only. LED Driver not to be sold as finished goods in market.	Not covered since not sold as finished goods.
Locally manufactured LED Driver board (without encapsulated in box - sub assembly stage) - original design know-how is under control of supplier. LED Driver not to be sold as finished goods in market.	Not covered since not sold as finished goods.
Locally manufactured LED driver by another agency but encapsulated in box. It could be used for making LED luminaire product by manufacturer.	Covered.
Imported LED Driver PCB board with components mounted, but not as finished goods (not encapsulated in box) for direct selling in Indian market.	Not covered if complies with definition of SKD / CKD product. Such sale is expected to be restricted to manufacturers of luminaires only and not to end users of luminaries.
Imported LED Driver in encapsulated box, but not for selling directly in market. It would be used for making LED luminaire product by manufacturer.	Covered.
Imported / locally manufactured LED Driver finished goods to be sold directly in market.	Covered.
Imported / locally manufactured Self-Ballasted LED lamp with integral driver. Do drivers need to be tested separately?	No need for separate testing of LED Driver as long as it is tested as part of Self Ballasted Lamp.
Imported / locally manufactured LED luminaire (battens + surface mounted luminaires) with integral driver. Do drivers need to be tested separately?	No need for separate testing of LED Driver in Fixed General Purpose Luminaire, if manufacturer of luminaire is in control of design and production of driver, else he should use a pre-registered driver and notify in CDF (Construction Data Form) in test report.
Non - CRS covered LED Luminaire (<i>i.e.</i> Recessed Downlighter + Streetlight + Floodlight) with independent driver (separate driver encapsulated in box).	Drivers covered.



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Non - CRS covered LED Luminaire (<i>i.e.</i> Recessed Downlighter + Streetlight + Floodlight) with built-in driver (separate driver board, not encapsulated separately but within the luminaire fixture). Do (this sub-assembly) drivers need to be tested separately since not being sold as loose driver in market and the complete product is not covered under CRS Scheme.	Non - encapsulated LED Drivers (built-in type) are not covered provided it complies with definition of SKD / CKD product.
Drivers imported by trading company and sold to local OEM who is then exporting complete luminaire.	Such products would normally land in bonded territory and not covered, since CRS is not applicable to products manufactured for exports.
LED Luminaire (<i>i.e.</i> battens + surface mounted luminaires) with or without Integral Driver.	Fixed General Purpose Luminaires are covered.
Non - CRS covered LED Luminaire (<i>i.e.</i> Recessed Downlighter + Streetlight + Floodlight) with independent or built-in LED Driver.	Built-in type drivers for such products are covered if sold in open market. Independent type (encapsulated) driver are covered even when sold as spares.
LED Luminaire used for industrial / outdoor application (<i>i.e.</i> Bay Light) or for hospitality / home usage (<i>i.e.</i> Chandelier).	Covered.
Self-Ballasted Lamp with Integral Driver	Covered.

41. Whether Solar Inverter (< 5KVA) used for Solar application is covered under CRO?

Solar inverters are covered under the standard IEC 62109, which is not mandated under CRS. Therefore, it is not covered under the scope of CRO. (TAC 30).

42. Whether BIS Registration is mandatory for the power supply (a detachable module) to be imported separately to be used with servers? The server has the option for both AC & DC power supply module that can be pulled out (detachable) from the enclosure?

Functionally, this device is identical to Adaptors. Hence, if this device is imported as a standalone device, it stands covered under CRO. (TAC 30).

43. Whether different capacities of cell (e.g. one cell of 2400mAh & other of 3000mAh) or one or two cells of different model can be used in the battery if there is no change in the output voltage?