PTTI COUNTRY PROFILE — INDIA

Premix Taxes and Tariffs Index · Prepared for the Global Alliance for Improved Nutrition (GAIN)

Reference GCC-GAIN-PTTI-2026-01 | Dataset: Master workbook v1.5.56 (17 September 2026) | Profile v2.11 | 17 September 2026

1. PURPOSE AND BASIS OF PREPARATION

This profile is one of eight prepared for the Global Alliance for Improved Nutrition under the Premix Taxes and Tariffs Index engagement. The index records, for sixty-six countries, the taxes, duties and charges levied at the border on imported micronutrient premix — the concentrated blend of vitamins and minerals that millers and food producers add to staple foods such as wheat flour, edible oil and salt in food fortification programmes. Many countries that fortify foods import their premix, and the charges collected at the border can represent a material share of total programme cost. The fiscal treatment of premix at import is therefore of direct consequence to those who design, fund and operate fortification programmes, and this profile is written for that readership rather than for customs specialists.

Every figure cited traces to a source recorded in the citation log of the PTTI master workbook, version 1.5.56 of 17 September 2026. The modelling convention throughout the index is a single consignment valued at USD 1,000,000 on the cost, insurance and freight (CIF) basis — the value of the goods delivered to the port of entry, which is the base on which most import charges are computed. Where a charge is instead levied on the free-on-board (FOB) value, the convention takes FOB as USD 900,000. The modelled consignment is a bulk multi-micronutrient premix — vitamins and minerals on a food-grade carrier — for wheat-flour fortification, in industrial packing and of non-preferential origin, entered for home consumption at standard rates. The importer modelled is a registered manufacturer importing the premix as an input to its own production; a flour mill is taken as the reference case, and section 5 sets out how the VAT treatment of the fortified product bears on the credit. Where the evidence supporting a figure is secondary, or awaits verification against the primary legal instrument, this profile says so.

2. SUMMARY ASSESSMENT

An importer bringing the modelled consignment into India pays USD 627,500 at the border — 62.75 per cent of the value of the goods, the second-highest figure in the focus set against an index median of 31.14 per cent. The composition is unusually concentrated: a basic customs duty of 50 per cent accounts for USD 500,000 of the bill, a surcharge computed on that duty adds USD 50,000, and the integrated goods and services tax adds USD 77,500. Of the three charges only, the integrated tax is creditable, and then only by a registered manufacturer whose fortified output is itself taxable; the duty and the surcharge carry no credit mechanism at all, so the greater part of the Indian bill is a cost by construction rather than a financing requirement. India also presents the sharpest contrast in the study between fiscal burden and border operations: on the historical indicators its clearance environment is comparatively strong, although those indicators do not establish current, premix-specific clearance risk.

3. THE CHARGES AT THE BORDER

Three charges apply to the modelled consignment.

Charge	Character and legal basis	Rate and base	Amount (USD)
Basic customs duty (BCD)	Import duty on residual line 2106.90.99. The effective rate of 50 per cent derives from a 2025 rate notification incorporated into the First Schedule with effect from 1 May 2026; the previously published residual rate was 150 per cent	50% of CIF	500,000
Social Welfare Surcharge (SWS)	Surcharge computed on the customs duty payable, not on the value of the goods (equivalent to 5 per cent of CIF at a 50 per cent duty)	10% of BCD	50,000
Integrated GST (IGST)	Integrated goods and services tax on the statutory base: customs value plus the duty and surcharge (USD 1,550,000), at the 5 per cent rate applying to this line since the GST rate revision of September 2025; creditable in principle by a registered manufacturer with taxable output (see section 5)	5% of base	77,500
Total gross import charges	**62.75% of the CIF value of the consignment**		**627,500**

Two matters of record accompany the table. First, one widely used secondary tariff database continued, at the date of extraction, to publish the residual rate of 150 per cent for this line; the index treats that as the previously published rate and records the divergence on the measure row, with the operative 50 per cent resting on the notification chain incorporated into the First Schedule. Second, the surcharge position was checked against the 2026 budget's consequential amendments to the surcharge exemption list, which added a neighbouring line within heading 21.06 but left the incidence on the remainder of subheading 2106.90 unchanged, so the surcharge stands on this line. Were the surcharge ever removed, the total would fall to 57.50 per cent, since the integrated tax base falls with it — a reduction of 5.25 points.

4. THE CLASSIFICATION POSITION

India has no tariff line for micronutrient premix, and the goods clear under the residual line 2106.90.99. The residual character of the line has two consequences: it attracts a headline rate set for a broad class of miscellaneous food preparations rather than for an industrial nutrition input, and its breadth makes the applicable measure harder to track through notification-level change (a dedicated line can equally be amended by notification, but is easier to follow) — the current 50 per cent was first provided by notification and was incorporated into the First Schedule with effect from 1 May 2026. India's tariff and surcharge instruments already relieve other goods within heading 21.06 by line-level entry, which shows that the machinery for targeted relief exists; whether it is

used for a fortification input is a question of policy, and a named tariff line would make any such request easier to frame and to administer. The dedicated subheading 2106.20 (in the WCO's text, "Premixes and mixtures as specified in Subheading Note 1 to this Chapter, other than products of subheading 2106.10"), adopted for the 2028 edition of the Harmonized System with effect from 1 January 2028, will give India and its importers that stable target; the rate attached to it, and the goods and services tax treatment, remain national decisions to be taken in the transposition.

5. THE RECOVERABILITY POSITION IN PRACTICE

Of the USD 627,500 paid, only the integrated GST of USD 77,500 is creditable, and the entitlement is conditional: it is available to a registered manufacturer against output tax on taxable supplies, on the strength of a valid import document, and only to the extent that the fortified product is itself taxable — where the output is exempt, the credit is denied or apportioned. The basic customs duty and the surcharge, USD 550,000 together, carry no credit mechanism and are a cost by construction. The practical consequence for planners is that the Indian bill contains very little that can be recovered by any importer, so relief, if it comes, must come from the rate side — through the tariff itself or through origin-based preferences, which are transaction-specific and are examined in section 8.

The VAT status of the fortified product decides how much of the credit is real. Under the goods and services tax as restated from 22 September 2025, wheat or meslin flour and other cereal flours are exempt when sold other than pre-packaged and labelled (Notification 10/2025-Central Tax (Rate), serials 70 and 71) and taxed at 5 per cent when pre-packaged and labelled in packs of up to 25 kilograms (Notification 9/2025-Central Tax (Rate), Schedule I, serials 51 and 52); edible vegetable oils are taxed at 5 per cent (Schedule I, serials 84 to 92); salt, including iodised table salt, is exempt (Notification 10/2025, serial 109). Section 17(2) of the Central Goods and Services Tax Act restricts the credit to the input tax attributable to taxable supplies. A mill selling flour loose and unbranded therefore cannot credit the integrated tax on premix; one selling pre-packaged flour credits it in proportion to its taxable turnover; an oil refiner credits it in full; a salt producer cannot credit it at all. The treatment of the specific product should be confirmed against the notifications in force before any recovery is assumed.

Two cautions apply to every creditable charge in this profile, and the index applies them throughout. First, a credit is a legal entitlement, not cash. VAT or sales tax paid at import may be credited, carried forward or refunded only under the local rules, including the treatment of the importer's own output: where the fortified product is exempt the input credit is denied in whole or in part, and where it is zero-rated the excess is recovered by refund claim rather than set-off. Advance income-tax collections follow separate rules — adjustment against the year's liability, minimum-tax treatment for some importers, and refund of any excess — and are not affected by the VAT status of the output. Second, recovery takes time and is contestable: claims are subject to time limits, audit, partial disallowance, delay and dispute, and an amount identified as creditable in principle is not a guaranteed receipt. For these reasons the index reports the gross figure — what must be paid and financed at the border — as its headline, records for each charge whether it is creditable in principle, and computes no net figure. Programme plans should budget on

the gross amount, distinguish the charges no importer can credit from the creditable principal and the financing cost of delayed recovery, and test denial and delay scenarios.

6. THE RELIEF AND EXEMPTION POSITION

No exemption or relief is recorded on the modelled line. The index does record, as a matter of classification context, that relief activity exists within the heading: the 50 per cent rate was itself introduced by notification before its incorporation into the First Schedule, and the 2026 budget amended the surcharge exemption list at a neighbouring line. Those instruments show that the Indian system can relieve within this heading when a specific line can be named — which is the study's point about nomenclature made in an Indian register — without implying any policy precedent in favour of fortification inputs. The two matters of record described in section 3 should be monitored, since either could bear on the recorded figure: the published-rate divergence is a source reconciliation rather than a bounded risk, and a removal of the surcharge would reduce the total by 5.25 points.

7. THE BORDER OPERATING ENVIRONMENT

India’s operational indicators are the strongest in the focus set on the historical measures. The World Bank’s Logistics Performance Index for 2023 scores the country at 3.4 overall (ranked 38th) with a customs component of 3.0. The legacy Doing Business measurements of 2020, indicative only, put border compliance for an import at approximately 65 hours and USD 266 per shipment (a population-weighted average of Mumbai and Delhi) — the shortest border-compliance time in the focus set, though not the lowest cost, which the same dataset records for Ethiopia. The notified implementation rate under the WTO Trade Facilitation Agreement stands at 100 per cent, with the national single window and advance rulings both recorded as implemented. For a premix programme the operational risk at the Indian border is accordingly modest on these measures, and the planning problem is predominantly fiscal — with the caution that aggregate indicators do not establish current, product-specific clearance experience. The logistics vintages cited are each country’s most recent scored edition — the 2025 LPI publishes no country scores — and the 2020 legacy compliance figures are context, not current measurements.

8. OBSERVATIONS RELEVANT TO PROGRAMME PLANNING

Three observations follow. First, the lever that matters is the duty rate, and the Indian record shows the instrument to reach for: line-level rate notifications and exemption entries within heading 21.06 already exist, so a specific, well-aimed request — ideally anchored to the new 2028 subheading once transposed — is the form relief would take. Second, the advance-rulings machinery, recorded as implemented, offers importers certainty on classification before shipment and is worth using given the width of the residual heading — noting that Indian advance rulings are fee-bearing, take time in practice, and bind the applicant rather than importers at large. Third, budgets should treat the Indian bill at MFN rates as substantially fixed: only the IGST is creditable, and then conditionally, and a removal of the surcharge — a sensitivity, not a proposal on the table — would be worth 5.25 points. The line is modelled at the MFN rate, and India’s preferential agreements (among them those with EFTA, the UAE, Australia, ASEAN, Japan and Korea)

were not systematically swept for coverage of 2106.90.99; an importer with supply of qualifying origin should therefore have the relevant preferential schedule and rules of origin checked before assuming the MFN rate, since, short of a line-level duty measure of the kind described in the first observation, an origin-based reduction of the duty is the route by which the Indian bill could be materially lowered.

9. DATA QUALITY AND LIMITATIONS

The Indian assessment carries high confidence. The 50 per cent duty rests on the notification chain incorporated into the First Schedule with effect from 1 May 2026; the GST rate reflects the September 2025 rate revision; the surcharge computation is arithmetically anchored to the duty. Two matters of record are disclosed in section 3: the divergence of a secondary database from the operative published rate, and the surcharge exemption position as amended in 2026. Classification ambiguity is recorded as medium, and a binding ruling is strongly recommended here rather than merely prudent. The evidence that would restate this profile is a change to the First Schedule rate, to the surcharge exemption list or to the GST rate for this line, or a ruling on classification. The figures are prepared on the index's common conventions to support comparison and programme-level planning; they are not a substitute for a binding ruling or an entry-specific computation.

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