A DIMERCO
CASE STUDY:

Electronics Manufacturer Enters Indian Market with Dimerco's Customs Bonded Warehouse

About the Electronics Manufacturer

In 2024, a leading global gaming and high-performance computing brand prepared to enter the Indian market to comply with national mandates for local production. The company wanted to serve the local market with products that meet global standards and needed a flexible consumer-electronics supply chain to support production while minimizing upfront investment and operational risk.

Challenge

The company needed to scale rapidly to meet growing regional demand while minimizing customs duties and inventory carrying costs. Multiple global sourcing locations were required, resulting in complex shipment consolidation to ensure components arrived on schedule. A warehouse location in close proximity to the manufacturing facility was required to maintain production continuity.

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"India is at the heart of our global growth strategy, and the incredible momentum we have seen here makes local manufacturing a natural progression."

Supply Chain Manager,
Electronics Manufacturer

DIMERCO

Keys to Success

To support this expansion, the company worked with Dimerco to design an integrated supply chain leveraging a customs-bonded warehouse in Bangalore. By leveraging the customs-bonded warehouse, the company positioned imported components closer to its Chennai production facility while deferring duties and maintaining inventory flexibility.

This strategy helped reduce working capital pressure, improve inbound visibility, and ensure production continuity. Dimerco also coordinated global shipments from multiple sourcing locations, consolidated inbound components, and supported domestic distribution. With this integrated approach, the manufacturer was prepared to scale operations gradually while maintaining supply chain stability during market entry.

Bonded Warehouses

Defer import duties and GST until goods are released based on manufacturing demand, reducing capital requirements.

Network Design

Dimerco developed a comprehensive plan to manage multiple sources, consolidate shipments, and support domestic distribution.

Advisory Services

Dimerco's expert advisors are ready to help manufacturers navigate the complexities of doing business in India.

Fast Facts

A Customs Bonded Warehouse Delivers:

- **Improved cash flow management**
- **Reduced upfront tax exposure**
- **Better alignment between duty payments and production schedules**

Results

India is one of the fastest-growing markets for the electronics manufacturer, with numerous product launches and deeper retail penetration into smaller cities through channel partners.

Benefits	Business Impact	Quantitative Improvements
Duty & IGST Deferment	100% deferred until clearance into DTA	20–30% improvement in working capital efficiency (especially for high-value electronics imports)
Shipment Consolidation	Multi-origin shipments consolidated at FTWZ	25–35% reduction in shipment fragmentation, improving inbound coordination
Strategic Inventory Staging	Warehousing near manufacturing hubs (e.g., Bangalore–Chennai corridor)	10–20% improvement in material availability lead time
Buffer Inventory in Bonded Zone	Reduces reliance on urgent shipments	8–12% reduction in expedited logistics costs
Inventory Optimization	Phased clearance into DTA	15–25% reduction in excess stock holding
Re-export / Redistribution Flexibility	Duty-free holding for regional supply chain movements	Qualitative benefit (no duty/GST on re-export)