

## India Import Regulation

### Automobiles

Passenger cars/jeep/multiutility vehicles etc., which are in the registered category, may be imported without a license on payment of full customs duty by the following categories of importers:

- Individuals coming to India for permanent settlement after two year's continuous stay abroad.
- Resident Indians presented with car as an award in any international event/match/ competition
- Legal heirs/successors of deceased relatives residing abroad.
- Physically handicapped persons.
- Companies incorporated in India having foreign equity participation.
- Branches/officers of foreign firms.
- Charitable/ missionary institutions registered with the Ministry of Welfare and the Ministry of Home affairs, Government of India.
- Honorary consuls of foreign countries on the recommendations of the Ministry of External Affairs, Government of India
- Journalists/correspondents of foreign news agencies having accreditation certificate with the press information bureau, Ministry of Information Broadcasting, Govt of India.

All the above categories shall be entitled to import only one vehicle except categories (d) shall be entitled to import only specially designed vehicles suitable for use by handicapped . All such customs authorities on the passport/registration documents at the time of import and by the Regional Transport Authorities when such vehicles are presented for registration in India. All such imports except by the physically handicapped persons shall not involve any foreign exchange remittance from India directly or indirectly . The DGFT may, however, permit relaxation of these conditions or imports by any category not listed in this Public Notice in special circumstances .

### Important

Custom duty is to be paid in foreign convertible Currency

#### Duty on :

|   |               |
|---|---------------|
| Car (New Cars)                              | 85.15%        |
| Old Car (Second Hand Cars)                  | 181.76%       |
| Motorcycle                                  | 62.86%        |
| Spares(different rate for different spares) | 62.86% (max.) |

There is no restriction either in Engine capacity or usage for Import of Motor Cycle.

Remittance for cost of vehicle, insurance and freight are not permitted from India.

Please check the rules and regulations if the vehicle is in company name and not in individual.

### Depreciation on Automobile

Depreciation of old and used vehicle is calculated from the date of first registration of vehicle to the date of shipment or the date of departure of passenger from the respective country, which ever is earlier.

| 4.0% per quarter | in the 1st year | Total 16% |
|------------------|-----------------|-----------|
| 3.0%             | 2nd             | 12%       |
| 2.5%             | 3rd             | 10%       |
| 2.0%             | 4th             | 8%        |
| 2.0%             | 5th             | 8%        |

|                      |     |    |
|----------------------|-----|----|
| 2.0%                 | 6th | 8% |
| 2.0%                 | 7th | 8% |
| Maximum allowed 70%. |     |    |

### Definition of second hand vehicle

**1. A second hand or used vehicle** (including all the vehicles other than Railway or Tramway) for the purposes of the customs shall mean a Vehicle that: -

- A.** Has been sold, leased or loaned prior to importation into India ; or
- B.** Has been registered for use in any country according to the laws of that country, prior to importation into India ;

**2. The import of second hand or used vehicles shall be subject to the following condition : -**

**A.** The second hand or used vehicle shall not be older than three years from the date of manufacture ;

**B.** The second hand or used vehicle shall :

- have right hand steering, and controls (applicable on vehicles other than two and three wheelers);
- have a speedometer indicating the speed in Kilometers; and
- have photometry of the headlamps to suit keep left traffic

**C.** In addition to the conditions specified in (a) and (b) above, the second hand or used vehicle shall conform to the provisions of the Motor Vehicle Act, 1988 and the rules made thereunder

**D.** Whoever being an importer or dealer in motor vehicles who imports or offers to import a second hand or used vehicle into India shall.

- at the time of importation, submit a certificate issued by a testing agency, which the Central Government may notify in this regard, that the second hand or used vehicle being imported into India has been tested immediately before shipment for export to India and the said vehicle conforms to all the regulations specified in the Motor Vehicles Act, 1998 of India and the rules made thereunder.
- At the time of importation, submit a certificate issued by a testing agency, which the Central Government any notify in this regard, that the second hand or used vehicle being imported into India has been tested immediately before shipment for export to India and the said vehicle conforms to the original homologation certificate issued at the time of manufacture.
- On arrival at the Indian port but before clearance for home consumption, submit the vehicle for testing by the Vehicle Research and Development Establishment, Ahmednagar of the Minister of Defence of the Government of India or Automotive research Association of India, Pune or Central Farm Machinery Training and Testing Institute, Budni, Madhya Pradesh for tractors, and such other agencies as may be specified by the Central Government, for granting a certificate by that agency as to the compliance of the provisions of the Motor Vehicles Act, 1988 and any rules made thereunder.
- Import of these vehicles shall be allowed only through the customs port at Mumbai.
- The second hand or used vehicles imported into India should have a minimum roadworthiness for a period of 5 years from the date of importation into India with assurance for providing service facilities within the country during the five year period. For this purpose, the importer shall, at the time of importation, submit a declaration indicating the period of roadworthiness in respect of every individual vehicle being imported, supported by a certificate issued by any for the testing agencies, which the Central Government may notify in this regard.

### Definition of New Vehicle

**1.** A new imported vehicle (including all the vehicles other than Railway or Tramway) for the purposes of the customs shall mean a vehicle that: -

- a.** has not been manufactured/assembled in India; and
- b.** has not been sold, leased or loaned or loaned prior to importation into India; or
- c.** has not been registered for use in any country according to the laws of that country, before importation in India.

**2. The import of new vehicle shall be subject to the following condition :-**

**a.** The new vehicle shall-

- have a speedometer indicating the speed in kilometers per hours;
- have right hand steering, and controls (applicable on vehicles other than two and three wheelers);
- have photometry of the headlamps to suit right-left traffic; and
- be imported from the country of manufacture.

**b.** In addition to the conditions specified in (a) above, the new vehicle shall conform to the provisions of the Motor Vehicles Act, 1988 and the rules made thereunder, as applicable, on the date of import.

**c.** Whoever being an importer or dealer in motor vehicles who import or efforts to import a new vehicle into India shall,

- at the time of importation, have valid certificate of compliance as per the provision of rule 126 of Central Motor Vehicle Rules (CMVR), 1989, for the Vehicle model being imported, issued by any of the testing agencies, specified in the said rule;
- be responsible for all the provision assigned to the manufacturer as per Rules 122 & 138 of CMVR, 1989 and for issuing Form 22, as per provisions of CMVR, 1989; and
- give an undertaking in writing that the proof of compliance to conformity of production as per rule 126A of CMVR shall be submitted within six months of the imports. In case of failure to do so, no further import of new vehicle of that model shall be allowed thereafter.

**d.** The import of new vehicles shall be permitted only through the Customs port at Nhava Sheva, Calcutta, and Chennai.

**e.** The provisions of this notification will not apply to the imports of new vehicles-

**f.** for the purpose of certification as per para c (i) above;

**g.** for the purpose of defence requirements; and

**h.** for the purpose of R&D by vehicle manufacturers.