

Import Cars and Commercial and Non Commercial Vehicles

Introduction

Exim policy of India is quite strict in matters related to import of vehicle. Apart from the heavy custom duty on the automobile, the Exim policy of India also states that the Vehicle should not be manufactured/ assembled in India, not been sold, leased or loaned prior to being imported to India; or should have been registered for use in any country prior to being imported to India. It is also mentioned in the Exim policy that for new vehicles being imported into the country should be imported only from the country of manufacture and should comply with Central Motor Vehicles Rules (CMVR), 1989.

Import of New Vehicles

The import of vehicles shall be subject to the following guidelines of the Government of India:

1. **A new imported vehicle shall mean a vehicle that:-**

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

2. **The import of new vehicles shall be subject to the following conditions:**

- The new vehicle shall-
 - have a speedometer indicating the speed in km / h;
 - have right hand steering, and controls (applicable on vehicles other than two and three wheelers);
 - have photometry of the headlamps to suit "keep-left" traffic; and
 - be imported from the country of manufacture.
- In addition, the new vehicle shall conform to the provisions of the Central Motor Vehicles Act, 1988 and the rules made thereunder, as applicable, on the date of import.
- The import of new vehicles shall be permitted only through the Indian Customs Port at Nhava Sheva (Mumbai), Calcutta and Chennai.

Import of old Vehicles

The Government of India has allowed the entry of second hand vehicles into the country only through the Mumbai port. The Ministry of Commerce has identified six categories of second hand vehicles having cylinder capacity of up to 3000 cc that can be brought in the country through the Mumbai port.

1. A second hand or used vehicle shall mean a vehicle that :-
 - has been sold, leased or loaned prior to importation into India; or
 - 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 had or used vehicles shall be subject to the following conditions:-
 - The second hand or used vehicle shall not be older than three years from the date of manufacture;
 - 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 km / h; and
 - have photometry of the headlamps to suit "keep left" traffic.
 - In addition, the second hand or used vehicle shall conform to the provisions of the Motor Vehicle Act, 1988 and the rules made there under, as applicable, on the date of import.
 - Import of second hand 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.

Testing of Imported Vehicles

After import it is necessary to submit the imported vehicle to Vehicle Research and Development Establishment (VRDE), Ahmednagar, of the Ministry of Defence or the Automotive Research Association of India, Pune or the Central Farm and Machinery Training and Testing Institute, Budni, Madhya Pradesh, or other notified testing agency authorised by the Indian Government .

Banned Vehicles

The policy totally bans the import of cars whose engine capacity ranges from 1000 to 2500cc. As far as two-wheelers go, scooters with an engine capacity of over 50 cc to 500cc can be imported. Motorcycle engine capacity should be their engine capacity should be over 250 cc but not in excess of 800 cc.

Import of Motor Cars under transfer of residence

Any nonresident Indians or foreign nationals coming to India on a transfer basis are allowed to import one vehicle. The imported vehicle could be new or old. However, it is important that vehicle should be imported into India within six months of the arrival of the foreign individual. The imported car must also carry the condition of "No Sale" for the time periods of two years, which shall be endorsed by the Indian 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.

Import of passenger cars / jeeps / multi utility vehicles etc

The conditions mentioned for import of new and used motor vehicles is not applicable for the import of passenger cars/jeeps/multi-utility vehicles etc and all these vehicles may be imported in India after the payment of full custom duty and fulfilling the following requirements.

1. **Individuals coming to India for permanent settlement after two years' continuous stay abroad provided the car has been in possession of the individual for a period of minimum one year abroad.**
2. **Resident Indians presented with a car as an award in any international event / match / competition.**
3. **Legal heirs/successors of deceased relatives residing abroad;**
4. **Physically handicapped persons;**
5. **Companies incorporated in India having foreign equity participation;**
6. **Branches/offices of foreign firms;**
7. **Charitable/Missionary/Religious institutions registered as per the law relating to the registration of the societies or trusts or otherwise approved by the Central or State Government.**
8. **Honorary Consuls of foreign countries on the recommendations of the Ministry of External Affairs, Government of India.**
9. **Journalists/Correspondents of foreign news agencies having accreditation certificate with the Press Information Bureau, Ministry of Information and Broadcasting, Govt. of India.**

The DGFT may, however, permit relaxation of these conditions or imports by any other category not listed in this Public Notice in special circumstances.