how to Import Cars in India

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Importing a foreign car into India can be challenging but rewarding. Understanding the regulations and processes is crucial to ensuring a seamless import process, whether you're importing your own car from abroad or hoping to import a new high-end one.

This article provides a comprehensive overview of how to import a car in India, covering everything from import duties to compliance with local regulations. Read on to make sure your car complies with all requirements and to equip yourself to handle every stage of the import procedure.

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What is Import Duty?

All goods brought into India, including vehicles, are subject to a tax called import duty. It is calculated based on the value of the vehicle and can vary depending on whether it is new or used. Understanding the concept of import duty and being familiar with the terms associated with it is crucial to plan your import costs.

Import Duty on Cars in India

Here is the percentage of import duty taxes levied for different types of vehicles:

Criteria / Applicability	Import Duty (%)
Used car import	125%
Cars Complete Built Units (CBUs) with Cost, Insurance, and Freight (CIF) value > $40,000 Petrol Engine > 3000 CC Diesel Engine > 2500 CC	100%
Cars CBUs with CIF value < $40,000 Petrol Engine < 3000 CC Diesel Engine < 2500 CC	70%
Two-wheeler CBUs	50%
Commercial Vehicle CBUs (Trucks & Buses)	40%
Completely Knocked Down (CKD) kits (Passenger Vehicles) containing engine, gearbox, or transmission mechanism in pre-assembled form (not mounted on a chassis or body assembly)	35%

Criteria / Applicability	Import Duty (%)
CKD kits (Two-wheelers) containing engine, gearbox, or transmission mechanism in pre-assembled form (not mounted on a chassis or body assembly)	25%
CKD kits (Commercial Vehicles) containing engine, gearbox, or transmission mechanism in pre-assembled form (not mounted on a chassis or body assembly)	25%
CKD kits containing engine, gearbox, and transmission mechanism not in pre-assembled condition	15%

The Import Procedure for Foreign Cars

Importing a foreign car into India involves different procedures for new and used vehicles. The process includes a number of legal requirements and steps to ensure that everything is in accordance with Indian rules. It is critical to follow the right steps to avoid any delays or problems. This includes handling customs duties and ensuring you have all the necessary paperwork. Let us break down the steps and learn how to import a car in India.

Rules for Importing a New Car to India

Here are the rules to import a new car to India:

Vehicle Specifications

- The vehicle needs a speedometer that displays speed in kilometres per hour.
- It should have the steering wheel and controls on the right side (except motorcycles and tricycles).
- The headlights must be adapted for driving on the left side of the road.
- The car has to be imported directly from its country of origin or a single market, like the European Union.

Compliance and Documentation

- Ensure you have a valid certificate showing compliance with the Central Motor Vehicle Rules (CMVR).
- Submit an undertaking to present proof of compliance within the next six months.
- You can import new vehicles through customs ports such as Nhava Sheva, Chennai, and Delhi Air Cargo.

Rules for Importing a Used Car to India

The rules for importing used cars to India differ slightly from those for new cars. Here is a simple breakdown:

Vehicle Specifications

- The vehicle must not be older than three years from the date of manufacture.
- The vehicle needs a speedometer that displays speed in kilometres per hour.
- It should have the steering wheel and controls on the right side (except motorcycles and tricycles).
- The headlights must be adapted for driving on the left side of the road.

Compliance and Documentation

- Submit a certificate from a notified testing agency confirming compliance with Indian regulations and roadworthiness for five years.
- On arrival, the vehicle must be tested by authorised agencies like the Vehicle Research and Development Establishment (VRDE) or the Automotive Research Association of India (ARAI).
- Import of used cars is restricted to the customs port in Mumbai

Paperwork and Documents Required to Get Imported Cars in India

There is a lot of paperwork required to import vehicles into India. Here are some important documents to have ready:

New Vehicles

- Certificate of compliance with CMVR.
- Proof of purchase.
- Motor Insurance Policy
- Customs clearance documents.

Used Vehicles

- Certificate from a testing agency regarding compliance with Indian regulations.
- Motor Insurance Policy
- Proof of roadworthiness.
- Testing results from authorised agencies upon arrival.

Conditions for Importing a Car While Shifting to India

When relocating to India, the following conditions must be met to import your car.

- The vehicle must comply with Indian safety and emission standards.
- All relevant import regulations must be adhered to for a smooth process.

Who Can Buy Imported Cars in India?

Here is a list of people who can purchase imported cars in India:

- Any Indian citizen can buy imported cars by following customs regulations.
- Businesses can buy imported vehicles for commercial use.
- Returning Non-Resident Indians (NRIs) can import personal vehicles owned abroad for a specified period.
- Diplomats and foreign nationals residing in India can import vehicles under specific exemptions.
- Manufacturers and testing agencies can import vehicles for research and development, but these cannot be registered for road use.

Conclusion

When you decide to import a foreign car into India, it's important to adhere to the rules and have all your paperwork and documentation in order. Making sure everything is in line can save you from extra expenses and waiting times.

FAQs

1. What is the maximum age for importing a used car to India?

To be eligible for import to India, a used car must be no older than three years from the date of manufacture.

2. What documents are needed for importing a new vehicle to India?

You will need documents such as a certificate of compliance with CMVR, proof of purchase, a Motor Insurance Policy, and customs clearance documents.

3. Can I import my car if I am moving to India?

Before importing a car, it is important to ensure that the vehicle meets Indian safety and emission standards. All the necessary import regulations must also be followed for a hassle-free process.

4. Are there any exemptions for importing new vehicles?

Yes, exemptions apply to vehicles imported for military applications or R&D initiatives undertaken by manufacturers. Such vehicles are not registered in accordance with the CMVR, and cannot be operated on public roadways. In these instances, customs authorities are required to apply special endorsements at the time of clearance to signify their exempted status.