

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3019
ANSWERED ON:13.12.2005
CAR IMPORT
Gohain Shri Rajen;Murmu Shri Hemlal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the norms fixed for issue of licence for import of Car;
- (b) whether these norms are being strictly followed;
- (c) whether any provision with regard to hundred percent tax exemption on import of cars exist with the Government;
- (d) if so, the details of the licences issued in this regard;
- (e) whether any mechanism exist with the Government to see that the provision stipulated in the licence are being strictly implemented;
and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a): Cars can be freely imported by any individual/company on payment of full customs duty subject to furnishing homologation certificate. Cars can also be imported at a concessional duty of 5% under Export Promotion Capital Goods (EPCG) Scheme subject to an undertaking by EPCG licence holder to fulfil export obligation equivalent to 8 times of ;customs duty saved amount within 8 years. The EPCG licence for import of car is issued to travel/ transport/ tour operators, hotels/ owners of golf resort and hotels, provided they have an export earning of Rs.1.5 crores or more in the preceding three years.

(b): Yes, Sir.

(c) & (d): No, Sir. There is no provision for issuance of licence, under any export promotion schemes, with 100% exemption of customs duty on imported cars.

(e) & (f): Yes, Sir. The mechanism to monitor the provisions stipulated in licence are laid down in para 5.9.1 of Handbook of Procedure (Vol.1). The licence holders are required to submit to the licensing authority by 30th April of every year report on the progress made in the fulfilment of export obligation against the licence issued to them. In case of non compliance, the Bank guarantee submitted by them is liable for forfeiture.