

# Govt abolishes customs duty on cars, tyres imported for testing

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**New Delhi:** The government has done away with the customs duty on vehicles imported for testing purposes as part of efforts to make India an attractive destination for conducting such tests.

Government sources told **TOI** that the vehicles imported for testing faced levies of as much as 250% of the declared value, making Indian test agencies non-competitive.

Now, vehicles, specified auto parts, sub-systems and tyres that are imported by notified testing agencies for testing and certification will not face the le-

## Rubber duty tweak pinches tyre cos

**Chennai:** The tyre industry is worried over Budget's duty tweak of compounded rubber which, say industry sources, will pinch its margins. This is particularly true because the tyre industry depends on imported rubber significantly as domestic sources are inadequate. "An increase in the duty rates on compounded rubber from 10% to 25% or Rs 30 per kg, whichever is less, is a challenge for tyre industry, which significantly depends on imported rubber," said Shamsheer Dewan, senior VP, ICRA.

A good 70% of natural rubber production in India goes to the tyre manufacturing industry. **TNN**

vy, the Finance Bill introduced by finance minister Nirmala Sitharaman in Parliament has proposed.

The move is expected to benefit testing agencies such as

International Centre for Automotive Technology (ICAT) and the Automotive Research Association of India (ARAI) which have received several requests from global players for crash

tests, emission tests, as well as tests for road track durability, teardown and others, including those related to tyres.

As a result, the ministry of heavy industries, which deals with the auto sector, approached the finance ministry for the concession, arguing that there will be no loss of revenue for the government and instead, Indian testing facilities will be able to compete with their rivals in the UK, Germany, China, Japan and Taiwan. With the duty concessions in place, the government is also toying with the idea of easing rules to allow the import of left-hand drive vehicles for testing purposes.