

## Road Transport & Highways Minister, Shri Nitin Gadkari Announces Vehicle Scrapping Policy

Criteria of vehicles to be scrapped will be based on Automatic Fitness Centres for commercial vehicles, and non-renewal of registration for private vehicles

Strong incentives proposed for owners of old vehicles to scrap old and unfit vehicles through registered scrapping centres

Setting up of Registered Vehicle Scrapping Facility (RVSF) across India to be promoted

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Minister for Road Transport and Highways, Shri Nitin Gadkari today announced the Vehicle Scrapping Policy in Lok Sabha. Making a Suo Motu statement in the Lok Sabha, the Minister said that “*Older vehicles pollute the environment 10 to 12 times more than fit vehicles and pose a risk to road safety*”. He said that “*in the interest of a clean environment and rider and pedestrian safety, the Ministry of Road Transport and Highways is introducing the Voluntary Vehicle-Fleet Modernization Program (VVMP) or “Vehicle Scrapping Policy” which is aimed at creating an Eco-System for phasing out of Unfit and Polluting Vehicles*”.

The objectives of the policy are to reduce population of old and defective vehicles, achieve reduction in vehicular air pollutants to fulfil India’s climate commitments, improve road and vehicular safety, achieve better fuel efficiency, formalize the currently informal vehicle scrapping industry and boost availability of low-cost raw materials for automotive, steel and electronics industry.

The ecosystem is expected to attract additional investments of around Rs. 10,000 Crore and 35,000 job opportunities. The Ministry shall, in the next few weeks, publish draft notifications, which shall be in the public domain for a period of 30 days to solicit comments and views of all involved stakeholders.

The criteria for a vehicle to be scrapped is primarily based on the fitness of vehicles through Automated Fitness Centres in case of commercial vehicles and Non-Renewal of Registration in case of private vehicles. The criteria is adapted from international best practices after a comparative study of standards from various countries like Germany, UK, USA and Japan. A Vehicle failing the fitness test or failing to get a renewal of its registration certificate may be declared as End of Life Vehicle. Criteria to determine vehicle fitness will be primarily emission tests, braking, safety equipment, among many other tests which are as per the Central

Motor Vehicle Rules, 1989.

The Policy proposes the following—

1. It is proposed that commercial vehicles be de-registered after 15 years in case of failure to get the fitness certificate. As a disincentive measure, increased fees for fitness certificate and fitness test may be applicable for commercial vehicles 15 year onwards from the date of initial registration.
2. It is proposed that Private Vehicles be de-registered after 20 years if found unfit or in case of a failure to renew registration certificate. As a disincentive measure, increased re-registration fees will be applicable for private vehicles 15 year onwards from the date of initial registration.
3. It is being proposed that all vehicles of the Central Government, State Government, Municipal Corporation, Panchayats, State Transport Undertakings, Public Sector Undertakings and autonomous bodies with the Union and State Governments may be de-registered and scrapped after 15 years from the date of registration.
4. The scheme shall provide strong incentives to owners of old vehicles to scrap old and unfit vehicles through registered scrapping centres, which shall provide the owners with a scrapping certificate. Some of these incentives include:
  - (A) Scrap Value for the old vehicle given by the scrapping centre, which is approximately 4-6% of ex-showroom price of a new vehicle.
  - (B) The state governments may be advised to offer a road- tax rebate of up to 25% for personal vehicles and up to 15% for commercial vehicles
  - (C) The vehicle manufacturers are also advised for providing a discount of 5% on purchase of new vehicle against the scrapping certificate.
  - (D) In addition, the registration fees may also be waived for purchase of new vehicle against the scrapping certificate.

The Ministry of Road Transport and Highways will promote setting up of Registered Vehicle Scrapping Facility (RVSF) across India and will encourage public and private participation for opening up of such centres. Efforts are also being made to set up Integrated Scrapping Facilities across India. Some of the identified places include Alang in Gujarat, where it is being planned to develop a highly specialized centre for scrapping, among many other potential centres, where different scrapping technologies can be synergized together.

With a simplified registration process through single window, the scrapping facility shall have to comply with environmental and pollution norms and with all applicable acts of law. It shall be ensured that the scrapping centres have adequate parking facility, de-pollution equipment for air, water and sound pollution and adequate facilities for hazardous waste management and disposal. Similarly, the Ministry shall promote setting up of Automated Fitness Centres on a PPP model by state government, private sector, automobile companies etc.

These centres may have adequate space for test-lane, IT servers, parking and free movement of vehicles. To avoid conflict of interest, operators of fitness centres shall only provide testing facility and shall not provide repair/sale of spare services. Appointment for fitness centres may be booked online and tests reports shall also be generated in an electronic mode.

Tentative timeline for application of Proposed Scrapping Policy is as follows:

1. Rules for Fitness Tests and Scrapping Centres: 01st October 2021
2. Scrapping of Government and PSU vehicles above 15 years of age: 01st April 2022
3. Mandatory Fitness Testing for Heavy Comm. Vehicles: 01st April 2023
4. Mandatory Fitness-Testing (Phased manner for other categories): 01st June 2024

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