

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO - 2473
ANSWERED ON- 22/03/2023

SPECIAL ASSISTANCE FOR STATE GOVERNMENTS TO SCRAP OLD VEHICLES

2473. SHRI JAGGESH:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether it is a fact that Government proposes to extend a special assistance for States, in a move to persuade State Governments to scrap vehicles that are older than 15 years;
- (b) Whether Government offers any other incentive for private persons while buying a new vehicle in lieu for retiring their old vehicles;
- (c) if so, details of the special assistance for State Governments to scrap vehicles and incentives for individuals for retiring their old vehicles; and
- (d) time frame for implementation of the proposal, details thereof?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a), (b), (c) and (d) 1. GSR Notification 29(E) dt 16.01.2023 provides that Certificate of registration for vehicles owned by Central, States and UT governments and their Departments, Local government (Municipal Corporations or Municipalities or Panchayats), PSUs and other Autonomous bodies with the Central Government and State Governments, shall not be renewed after the lapse of fifteen years. Disposal of such vehicles is to be ensured through the Registered Vehicle Scrapping Facility.
- 2. The Central Government has provided incentives to State Governments for implementation of Vehicle scrapping Policy. Department of Expenditure, Ministry of Finance has included an incentive of Rs. 2000 crore for the States in its ongoing scheme for 'Special Assistance to States for Capital Investment 2022-23'. The incentive amount is linked to the achievement of milestones by States as per the detailed guidelines issued vide letter dated 16.12.2022.
- 3. Further, the Scheme for Special Assistance to States for Capital Investment has been extended for the financial year 2023-24 by the Government and the incentive amount to the States has been increased to Rs. 3000 crores, to incentivise scrapping of State Government vehicles which

are older than 15 years, waiver of liabilities on old vehicles, providing tax concessions to individuals for scrapping of old vehicles and setting up of automated vehicle testing facilities.

4. Under the Vehicle Scrapping Policy, Ministry of Road Transport and Highways has issued following notifications to provide incentives to the vehicle owners to scrap their old unfit vehicles:

(i) GSR 720(E) dated 5th October 2021 provides for concession in motor vehicle tax of up to 25% for non-transport vehicles and up to 15% for transport vehicles which are purchased against a certificate of deposit.

(ii) GSR 714(E) dated 4th October 2021 provides for Waiver of fee for issue of certificate of registration of new vehicle which is registered against a certificate of deposit.

5. State Governments have been requested to provide incentives to the vehicle owners by way of granting one time waiver of pending liabilities on old vehicles which are submitted to Registered Vehicle Scrapping Facility for scrapping. In this regard, Ministry of Road Transport and Highways has issued an advisory dated 21st November 2022.
