

**GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 2323
ANSWERED ON 3RD AUGUST, 2023**

VEHICLE SCRAPPING POLICY

2323. SHRI SRIDHAR KOTAGIRI:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the Government plans on changing the vehicle scrapping criteria to be based on kilometres driven rather than the vehicle's age and if so, the details thereof;**
- (b) whether the Government is aware of the demand of most vehicle owners to have an increased tax deduction of 10 per cent of the old vehicle's original invoice value or 50 per cent of road tax paid for any new vehicle;**
- (c) if so, the plans to implement this to further incentivise owners to scrap their old vehicles;**
- (d) whether fitness test on old vehicles is estimated to cost Rs. 40,000 every five years, in addition to surcharges of 10 to 25 per cent of green taxes; and**
- (e) if so, whether the Ministry has any plans to dismiss these requirements and if so, the reaction of the Government thereto?**

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS (SHRI NITIN JAIRAM GADKARI)

(a) 1. No such proposal is under consideration. The Ministry of Road Transport and Highways has formulated the Vehicle Scrapping Policy that includes a system of incentives/dis-incentives for creation of an ecosystem to phase out older, unfit polluting vehicles across the country. The policy targets scrapping of unfit and polluting vehicles strictly based on their fitness ascertained through Automated Testing Station.

2. GSR Notification 29(E) dt 16.01.2023 provides that Certificate of registration for vehicles owned by Central, State and UT governments and their Departments, Local government (Municipal Corporations or Municipalities or Panchayats), State Transport Undertakings, PSUs and other Autonomous bodies with the Central Government and State Governments, shall not be renewed after the lapse of fifteen years.

(b) and (c) 1. No such representation has been received. Under the vehicle scrapping policy, as per GSR 720(E) dated 05.10.2021, vehicle owners are eligible 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 Certificate of Deposit. Implementation of the provision comes under the purview of State/UT Governments.

2. So far, 15 states/UTs have announced concessions in the Motor vehicle Tax against the Certificate of Deposit. These States are Bihar, Madhya Pradesh, Rajasthan, Assam, Jharkhand, Chandigarh, Odisha, Uttar Pradesh, Haryana, Karnataka, Maharashtra, Punjab, Mizoram, Chhattisgarh and Kerala.

(d) and (e) The fees for conducting fitness test of Vehicles (both manual and automated) are administered as per rule 81, revised vide GSR 714(E) dated 04.10.2021, of the Central Motor Vehicles Rules, 1989. Further, MoRTH has not issued any guidelines/instructions to States regarding imposition of Green Tax.
