

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

**LOK SABHA
UNSTARRED QUESTION NO. 3052
ANSWERED ON 21st DECEMBER, 2023**

INCENTIVISING SCRAPPING OF VEHICLES

**3052. SHRI MAGUNTA SREENIVASULU REDDY:
SHRI MARGANI BHARAT:**

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

(a) whether the Government is aware of the demand of vehicle owners to have an increased tax deduction of ten per cent of the old vehicle's original invoice value or fifty per cent of road tax paid for any new vehicle;

(b) if so, whether the Government proposes to implement this to further incentivise owners to scrap their old vehicles and if so, the details thereof;

(c) whether the Government proposes to change the vehicle scrappage criteria to be based on kilometres driven rather than the vehicle's age and if so, the details thereof;

(d) whether it is true that the mandated fitness test on old vehicles is estimated to cost an average Indian customer roughly Rs. 40,000 every five years, in addition to paying surcharges of around ten to twenty five per cent of green taxes; and

(e) if so, whether the Government has any plans to remove these requirements and if so, the details thereof?

ANSWER

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

(a) and (b) No such representation has been received. However, in order to incentivize the vehicle owners to scrap old, unfit and polluting (End of Life vehicles) vehicles, MoRTH has issued GSR 720 (E) dated 5th October 2021 to provide concession in the Motor Vehicle Tax of up to 25% in case of non-transport vehicles and up to 15% in case of transport vehicles which are purchased against the 'Certificate of Deposit'.

2. So far, 19 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, Kerala, Uttarakhand, Gujarat, Dadra and Nagar Haveli and Daman and Diu and Goa.

3. Further, MoRTH has also issued a notification vide GSR 714(E) dated 4th October 2021, for waiving off the registration fee of new vehicles, which are purchased against the Certificate of Deposit.

(c) 1. The Ministry has formulated the Voluntary Vehicle-Fleet Modernization Program (V-VMP) or Vehicle Scrapping Policy for creation of an ecosystem to phase out older, unfit and polluting vehicles across the country. The policy envisages voluntary scrapping of unfit commercial and personal vehicles strictly based on their fitness, irrespective of age of the vehicle or kilometers driven by the vehicle.

2. However, as per GSR 29(E) dated 16th January, 2023, the certificate of registration for vehicles owned by Central, State and Union Territory governments and their Departments, Local government (Municipal Corporations or Municipalities or Panchayats), State Transport Undertakings, Public Sector Undertakings (PSUs) and other Autonomous bodies with the Central Government and State

Governments shall expire after the lapse of 15 years from the date of initial registration.

(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.
