



# Ministry of Road Transport and Highways

## Implementation framework - Vehicle Scrappage Policy

**Relevant to M&M - Auto and CERO**

**4<sup>th</sup> October 2021**

### Background

In the Vehicle Scrapping Policy, it is proposed to have a system of incentives and disincentives to nudge vehicle owners to discard old and polluting vehicles, which have higher maintenance and fuel consumption costs.

Presenting the Union Budget 2021-22, Finance Minister Nirmala Sitharaman on February 1, 2021 announced a voluntary vehicle scrapping policy to phase out old and unfit vehicles under which the personal vehicles will undergo a fitness test in automated centres after 20 years while the commercial vehicles will undergo the test after 15 years.

In this regard, the Ministry of Road Transport and Highways has issued a GSR Notification, 714(E) dated 04.10.2021 in the Gazette of India, which shall come into force from the 1st day of April, 2022.

### Incentives

As an incentive, there will be waiver of the fee for issue of certificate of registration for a new vehicle, purchased against the authority of the Certificate of Deposit (CoD) issued by a Registered Vehicle Scrapping Facility for a vehicle being scrapped.

### Disincentives

1. Increase in the fee for conducting fitness test and renewal of fitness certificate for motor vehicles more than 15 years old.
2. Increase in the fitness certification fee for transport vehicles more than 15 years old.
3. Increase in the renewal of registration fee for personal vehicles (non-transport vehicles) more than 15 years old.

## What is the process?

- The MoRTH will set up an expert group to advise it on formulating strategies and policies regarding road transport, including the automotive sector.
- The expert advisory group (EAG) will consist of five members. It will advise the ministry on issues like strategizing policy on the use of alternative fuel, hydrogen fuel and biofuel, electric vehicles, vehicle emission standards, and driverless vehicles.
- It will also advise the ministry on vehicle emission standards, central motor rules and regulations, design and safety of vehicles, and formulation of rules for upgrades as per international standards.

Besides, the Ministry of Road Transport and Highways has also issued Guidelines for the "**Scheme for grant of Award to the Good Samaritan who has saved the life of a victim of a fatal accident involving a motor vehicle by administering immediate assistance and rushing to Hospital/Trauma Care Centre within the Golden Hour of the accident to provide medical treatment**". The Scheme mainly aims to motivate the general public to help the road accident victims in an emergency situation, inspire and motivate others to save innocent lives on the road.