

Sansad TV Perspective: Vehicle Scrapping Policy

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: '**Vehicle Scrapping Policy**'.

Anchor: Teena Jha

Guests:

1. Mahmood Ahmad, Additional Secretary, Transport, Ministry of Road Transport & Highways
2. P.K. Banerjee, Executive Director, Society of Indian Automobile Manufacturers
3. Ganpathy Subramaniam, Senior Journalist

Context: A notification has been issued to scrap all government vehicles that are older than 15 years.

Highlights of the discussion:

- Introduction
- Significance of Vehicle Scrapping Policy
- Existing Issues
- Way Forward

Introduction:

- All vehicles owned by central and state governments, including buses owned by transport corporations and public sector undertakings, that are older than 15 years will be de-registered and scrapped starting April 1. This has been announced by the Ministry of Road Transport & Highways through a notification.
- The rules, however, shall not apply to special purpose vehicles, which include armoured and other specialized vehicles used for operational purposes for the defence of the country and for the maintenance of law and order and internal security.

- As per the notification, disposal of such vehicles should be ensured through the Registered Vehicle Scrapping Facility after the expiry of fifteen years from the date of the initial registration of the vehicle.
- Announced in the Union Budget 2021-22, the policy provides for fitness tests after 20 years for personal vehicles, while commercial vehicles will require it after 15 years. States and Union Territories will provide up to 25% tax rebate on road tax for vehicles that are purchased after scrapping old vehicles.

Vehicle Scrapping Policy and its Significance:

- The Vehicle Fleet Modernization Policy commonly referred to as Vehicle Scrapping Policy has twin pillars:
 - Automated Testing Stations
 - Registered Vehicles Scrapping Centers
- The Vehicle Scrapping Policy (VSP) is a much-awaited policy that is considered to be a Great Indian Auto Revamp Policy that was essential for a greener future.
- Currently the scrapping that takes place in India is largely done by the informal sector which leads to various issues, the most important being the environmental concern. With the introduction of this policy, this concern can be addressed.
- The Union government is in constant touch with the state governments at the official and ministerial levels. Various other institutions like [NITI Aayog](#) and the Society of Indian Automobile Manufacturers (SIAM) are also important stakeholders in the process.
- As India is at a crucial juncture of shifting from hydrocarbon fuels to [electric vehicles](#), the implementation of the policy would be very helpful.
- One of the significant aspects of the policy is that the State Corporation buses will also be subject to this regulation. It should be noted that in many states these buses have very poor track records.
- When the policy takes into account the heavy commercial vehicles, then only big gains can be achieved. The suggested policy is appropriately taking this into account.
- The scrapping recommended in the policy is in a scientific and eco-friendly manner. In this regard, very clear specifications have been laid out in the policy.
- Presently, there are nine functional vehicle scrapping centers and ten are on the verge of completion. The Government is looking forward to establishing 75 centers across the country.
- The Policy has several advantages:
 - It will reduce environmental pollution.
 - Enhance fuel efficiency.
 - Improve road safety.
 - Scrapping of vehicles will spur manufacturing activity.

- It will bring together all the stakeholders like material collectors, recyclers, automobile manufacturers, etc.
- A number of states have taken a lead and have declared a Motor Vehicle Tax Concession Policy.
- A large number of vehicles, particularly in Delhi NCR have been mapped for scrappage.

Response of the Automobile Industry:

- The Automobile industry was waiting for the policy since the launch of the first Auto-Fuel Policy of India in 2002.
- The industry is grateful to the government for adopting consultative and comprehensive steps to define multiple regulations of NITI Aayog, Ministry of Steel, [Central Pollution Control Board](#), State Pollution Control Board, Ministry of Road Transport and Highway(MoRTH), etc.

Existing Issues:

- The implementation of the policy is delayed and even its beginning is very slow.
- There are very few scrapping centers existing in the country. Almost 90% of the scrappage is happening in a haphazard and hazardous manner.
- If the recycling is done in a hazardous way, it can create more harm than benefit.
- The issue of how the states will give rebates and incentives is another area of concern.
- As far as implementation is concerned there is no clarity in the policy about incentivization.
- Out of the total vehicles that were registered to be scrapped in Delhi, the vehicles that actually went for scrapping are very few.
- Many scrappage centers are struggling with the feed as the owners of the vehicles doesn't seem to be adequately incentivized.
- There were also some issues with tradable certificates that were issued in return for vehicle scrappage.
- One of the major concerns that have been highlighted is the mandate of 15 years and 20 years for government and personal vehicles respectively.
 - However, this issue has been addressed and it will be applicable only to government vehicles.
 - In this regard Automated Testing Stations will certify the fitness of the vehicle. It will also have the provision of appeal.
- There are multiple overlapping schemes in different departments and ministries that should be synchronized.

Way Ahead:

- The Union government has taken the lead in formulating the policy, but its implementation depends on the involvement of states, as most of the subjects fall in the state and concurrent list of the [seventh schedule of the constitution](#).
- If the promotion of scrappage policy across the world is analyzed, the cash for clunker scheme needs to be brought in because without it the general public would not be interested enough to take this route.
- A solution should be devised to create enough allurements and attractions for customers.
- Moreover, the separation of incentives for electric vehicles and vehicle scrappage policy should be guaranteed.
- The automobile industry should also come forward as more scrappage will result in boosting the business of automobile companies which in turn will boost the tax revenues of the central and state governments.
- The approach of SIAM can be effectively implemented by the industry.
 - SIAM is working for Sustainable Mobility Advocacy. Road Safety and Decarbonization are two important pillars of Sustainable Mobility Advocacy.
 - It has undertaken 'Chakriyata' or 'Circularity'. As a part of this, it intends to use secondary resources.
 - Beginning from the design stage recycling should be adopted with a clear target for reuse as well.
- The general public should also be sensitized about the recycling business in an environmentally benign way.