

Auto dealers urge States to act on scrappage policy quickly

OUT OF LINE. Most States have not implemented the policy, they say

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Auto dealers in the country said that State governments across India should quickly implement the Centre's scrappage policy so that older vehicles can be scrapped to get incentives which, in return, will help them sell more vehicles.

"We feel that the State governments have to probably start working harder at this because most of the States have not implemented the policy, have not made it clear and whenever it is also implemented, there is no single-window system in terms of ease of starting up these centres... these centres need to be started in every nook and corner of India," CS Vigneshwar, President, Federation of Automobile Dealers Associations, told *businessline*.

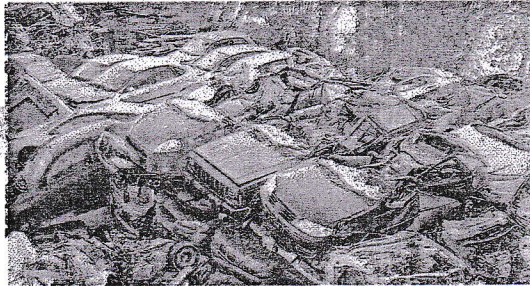
The Vehicle Scrappage Policy requires passenger and commercial vehicles older than 15 years to pass a

"fitness and emissions test" to keep their registration. Vehicles failing the mandatory test are defined as end-of-life vehicles, lose their registration certificate and are recommended to be scrapped.

KEY INCENTIVES

The policy also includes incentives to scrap old vehicles, including discounts on the purchase of new vehicles against a scrappage certificate. For instance, customers buying a new personal vehicle after scrapping old ones can avail of a concession in the new vehicle price or road tax of up to 25 per cent and for commercial vehicles, the concession is 15 per cent.

The government has also advised auto manufacturers to provide 5 per cent discount on the purchase of new vehicles against the certificate of deposit. Bihar, Madhya Pradesh, Uttar Pradesh, Haryana, Karnataka, Maharashtra, Gujarat, Punjab and Kerala have an-



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nounced concessions.

In September, the government had also said it was working on a policy for scrappage of vehicles to be based on pollution and not on the age of the automobiles, which could be a boon for many customers who have kept their vehicles in good condition.

Speaking at the annual convention of the Society of Indian Automobile Manufacturers, Anurag Jain, Secretary, Ministry of Road Transport & Highways, also asked

the automobile industry to help the government in designing the programme of pollution checks and make it "trustworthy".

"People tell us that if they've maintained their vehicle well, why should they be mandated to scrap it? We are studying whether we can enforce a scrapping mandate where the upper limit is relative to the pollution of the vehicle, for example, pre-BS-1 or pre-BS-2, instead of the 15-year mandate," Jain said.