

# Pollution board's nod must for vehicle scrapping units

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In an effort to streamline the vehicle scrapping policy, the Centre has further amended the central Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021.

Under the latest set of amendments issued on Tuesday, vehicle scrapping facilities (VSFs) will now require approval from the pollution control boards for both consent to establish (CTE) and consent to operate (CTO). Currently, VSFs are registered directly without any such approval.

Moreover, to expedite the construction of VSFs, the revised guidelines have eliminated the prerequisite that mandated scrapping facilities to be constructed in the orange category industrial zone.

Industrial zones are classified into the red, orange, green, and white categories, determined by a pollution index score derived from factors such as emissions, effluents, hazardous waste generation, and resource consumption.

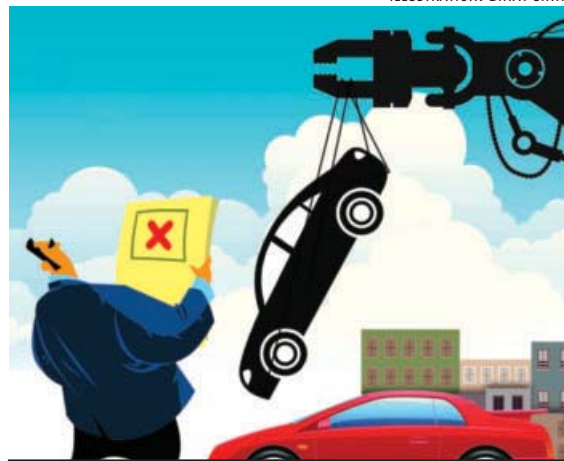


ILLUSTRATION: BINAY SINHA

## WHAT'S CHANGED

- Construction can be done in all industrial zones
- No incentives will be available on certificate of deposit issued against government-owned vehicles

## Status check

- 100 Registered vehicle scrapping facilities
- 1,000 More scrapping units and 400 automated fitness test centres required
- 11,025 Vehicles scrapped till March 31, 2023 – 7,750 private and 3,275 government vehicles

Regulatory measures are applied to these zones according to their categories, with red facing the highest level of regulation and white the lowest.

The amended rules also state that a government-owned vehicle or a vehicle seized by law enforcement will not be eligible for any incentives.

“Provided that no incentives shall be available on a certificate of deposit (CD) issued against government-

owned vehicles or impounded vehicles handed over by an enforcement agency. Such CDs shall not be electronically tradeable,” the 2024 amendment reads.

According to data from the Ministry of Road Transport and Highways (MoRTH), there are approximately 100 registered VSFs in the country. However, India needs 1,000 vehicle scrapping centres and 400 automated fitness test centres,

Union Road Transport and Highways Minister Nitin Gadkari said in December 2023.

A total of 11,025 vehicles (7,750 private and 3,275 government vehicles) have been scrapped until March 31, 2023, by registered VSFs, according to MoRTH data.

Union Finance Minister Nirmala Sitharaman made the first announcement of the policy in the Union Budget 2021. The vehicle scrapping

policy was initially introduced to tackle old and unsafe vehicles, aiming to combat urban pollution by systematically replacing vehicles aged 15-20 years and promoting the acquisition of new ones. Additionally, the policy aims to stimulate automotive sector sales, generate employment, and increase the availability of low-cost materials for industries.

The vehicle scrapping policy is expected to increase automobile sales by about 8 per cent and contribute about 0.5 per cent to the country's gross domestic product, according to MoRTH.

Under the policy, commercial vehicles exceeding eight years and passenger vehicles exceeding 15 years must undergo fitness and emission tests. These assessments evaluate aspects such as brake quality and engine performance, determining whether the vehicle is eligible for scrapping. The policy outlines a phased establishment of automated testing stations and provisions for vehicle scrapping.

This policy provides incentives for both vehicle scrapping and new purchases.