

GOVT. OF ASSAM,
TRANSPORT DEPARTMENT, DISPUR
JANATA BHAWAN, BLOCK-D, 4TH FLOOR
DISPUR :: GUWAHATI-6

ORDERS BY THE GOVERNOR OF ASSAM
NOTIFICATION

Dated Dispur, the 18th July, 2022

No. TMV.72/2022/39 : The Governor of Assam is pleased to notify the “*Vehicle Scrappage Policy of Assam, 2022*”. The Policy will come into effect from the date of notification and will be applicable initially for 5 (five) years.

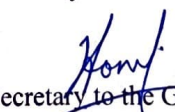
Sd/- Adil Khan, IAS
Secretary to the Govt. of Assam
Transport Department

Memo No. TMV.72/2022/39-A

Dated Dispur, the 18th July, 2022

1. All Addl. Chief Secretary/Principal Secretary/Commissioner & Secretary/ Secretary to the Govt. of Assam, Dispur, Guwahati-6 for kind information.
2. The Principal Secretary to the Chief Minister, Assam, Dispur, Guwahati—6 for kind information.
3. The Principal Secretary to the Govt. of Assam, Finance Department, Dispur, Guwahati-6 for kind information.
4. The Resident Commissioner to the Govt. of Assam, Assam House, New Delhi for kind information.
5. All Commissioner of Divisions, Assam for kind information.
6. All Principal Secretaries of the Autonomous Councils, for kind information.
7. All Deputy Commissioners, for kind information.
8. All Superintendents of Police, for kind information
9. The Staff Officer to Chief Secretary to the Govt. of Assam, Dispur, Guwahati-6 for kind information.
10. The PS to Minister, Transport Department for kind appraisal of the Hon'ble Minister.
11. All P.S. to Ministers/ Ministers of State, Government of Assam, for kind information.
12. The Commissioner of Transport, Assam for kind information and necessary action.
13. The Managing Director, Assam State Transport Corporation for kind information.
14. All District Transport Officers for kind information.
15. The Regional Officer, MoRTH, House No.5, Rajgarh Road, Guwahati for kind information.
16. The Director, Directorate of Information and Public Relation, Assam, Dispur, Guwahati-6. He is requested to make wide publicity of the Notification.
17. The Deputy Director, Assam Govt. Press, Bamunimaidam, Guwahati-21 with a request to publish the Notification in the next issue of the Gazette and to submit 50 copies of the Gazette notification.
18. The Content Manager, Transport Department. He is requested to upload the notification in the official website.
19. Office copy.

By order etc.,


Joint Secretary to the Govt. of Assam
Transport Department



**VEHICLE SCRAPPAGE POLICY OF
ASSAM, 2022**

**GOVERNMENT OF ASSAM
TRANSPORT DEPARTMENT**

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1. INTRODUCTION

In current global scenario, environmental pollution is considered to be the most alarming issue causing climate change, threatening lives of important species. The rising population of vehicles, especially the old vehicles, plying on the roads, are raising the pollution level. Unlike developed countries, current setup for vehicle recycling in India is extremely unorganized and majority of the vehicles are being routed through the informal sector which does not follow any Legal/ Environmental or Ethical norms. The non-scientific manner of recycling causes low material recovery, environmental damage by way of water/air/soil pollution and unsafe working conditions for workers. Current unorganized system also lacks the visibility and transparency in the process for owners and the government. In this backdrop, the Ministry of Road Transport and Highways (MoRTH) notified the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 vide G.S.R. 653(E), Dtd. 23rd September, 2021 that lays down the procedure for establishment of "Registered Vehicle Scrapping Facility" (RVSF) for carrying out dismantling and scrapping operations of "End of Life" vehicles, which is applicable to all vehicles and their last registered owners, Automobile collection centres, Automotive Dismantling, Scrapping and Recycling Facilities and recyclers of all types of automotive waste products.

It may be mentioned that in order to promote investment and accelerate industrial development, it was announced in the Assam Budget 2022-23 to include Vehicle Scrap Processing Facility in industrial sector with various incentives under the Industrial and Investment policy.

In view of above, Transport Department, Govt. of Assam has prepared the "Vehicle Scrappage Policy of Assam, 2022"

2. OBJECTIVES AND VISION

As per Ministry of Road Transport and Highways' data, out of 1.2 crore vehicles to be scrapped across India, ~ 15 lacs vehicles (13 % of total) are registered in North- eastern region of India, out of which ~ 10 lacs are registered in Assam. Over the course of next 5 years, additional 8 lacs vehicles registered in Assam will cross the age of 15 and a substantial number of these End-of Life Vehicles (ELV) will be from the commercial category. In the above background and Assam being a key state in the North- eastern region, the Vehicle Scrappage Policy of Assam 2022 is formulated with the following objectives;

- i. Reduce pollution by scrapping old and unfit vehicles.
- ii. Improve road, passenger and vehicular safety.
- iii. Improve fuel efficiency and reduce maintenance cost for vehicle owners.
- iv. Formalize the current informal vehicle recycling industry in Assam.
- v. Promoting recycling of vehicle scrap in a scientific manner,

- vi. Promoting of circular economy in an eco-friendly manner.
- vii. Encourage setting up of RVSF.

3. GENERAL CONDITIONS & APPLICABILITY:

- (i) This policy shall be applicable in the State of Assam.
- (ii) It shall come into force with effect from date of notification and shall be applicable initially for 5 years.
- (iii) The vehicles registered in Assam shall be scrapped only at a Registered Vehicle Scrapping Facility (RVSF).
- (iv) An RVSF may be owned and operated by any legal entity, be it a person, firm, society, Company or trust established in accordance with law. An application in Form 1 shall be addressed to the Commissioner of Transport, Assam, who has been notified by the Govt. as "Registration Authority" of Registered Vehicle Scrapping Facility (RVSF) vide Notification No. TMV.35/2021/88, Dtd. 4th February, 2022.
- (v) An application for RVSF shall be made online at www.nsws.gov.in accompanied by required documents along with non-refundable processing fee of Rs. 1,00,000/- (Rupees One Lakh only) & an earnest money deposit by way of a bank guarantee of Rs. 10,00,000/- (Rupees Ten Lakhs), which shall be disposed within a period of 60 (sixty days) from the date of application.
- (vi) The registration for RVSF shall be valid for an initial period of 10 (ten) years, which shall be renewable for another 10 (ten) years at a time.
- (vii) The Registered Vehicle Scrapping Facility established in Assam may accept and scrap the vehicles registered in any of the State or Union Territory under the jurisdiction of any Registration Authority.
- (viii) After handing over of the vehicles from owner or authorised person to RVSF, the RVSF shall issue the "Certificate of Deposit" as evidence of transfer of ownership of the vehicle. The Certificate of Deposit, which shall be tradeable, shall be a necessary and sufficient document for the owner to avail incentives and benefits for purchase of a new vehicle as may be declared from time to time.
- (ix) All the rules of the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 & other applicable Rules & Regulations have to be complied with by the RVSF.
- (x) Unless specified otherwise, the definitions in this policy shall be same as given in the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021.

4. CRITERIA FOR SCRAPPING OF VEHICLES

The following vehicles shall be scrapped at an RVSF -

- a) Vehicles which have not renewed their Certificate of Registration (RC).
- b) Vehicles which have not been granted a certificate of fitness.
- c) Vehicles which are 15 years old and above, owned by the Govt./PSUs/Govt agencies/ Autonomous Councils etc.
- d) Vehicles which have been damaged due to fire, riot, natural disaster, accident or any calamity, following which the registered owner self certifies the same as scrap.
- e) Vehicles which have been declared obsolete or surplus or beyond economic repair by the Central or State Organisations of the Government and have been offered for scrapping.
- f) Vehicles bought by any agency including Registered Vehicle Scrapping Facility in an auction for scrapping the vehicles.
- g) Vehicles which have outlived their utility or application particularly for projects in mining, highways, power, farms etc. as may be self-certified by the owner.
- h) Manufacturing rejects, test vehicles, prototype, vehicles damaged during transportation from vehicle original equipment manufacturer to dealers or Unsold or unregistered vehicles as may be certified by the vehicle original equipment manufacturer.
- i) Auctioned, impounded or abandoned vehicles by any enforcement agency.
- j) Any other vehicle voluntarily offered to a Registered Vehicle Scrapping Facility for scrapping by the owner.

5. STRATEGY FOR EFFECTIVE IMPLEMENTATION OF VEHICLE SCRAPPAGE POLICY IN ASSAM

For implementing this scrappage policy in an effective way in the state of Assam to reduce vehicular pollution & to phase out unfit and polluting vehicles, thereby promoting recycling of vehicle scrap in an eco-friendly manner, the followings steps shall be adopted in the State of Assam;

- a. All Govt. Vehicles under different Govt. Departments, PSUs, Organizations, Autonomous Councils etc. above 15 years of age as on 1st April 2022 are to be mandatorily scrapped through a Registered Vehicle Scrapping Facility (RVSF) only by 31st December 2022 at the scrap value as per existing market rate. No such vehicles require to be placed before any Condemnation Board for disposal of such "End of life" vehicles. In case, two or more RVSF take part in auction process, the vehicle shall be handed over to the highest bidder.

- b. As per Electric Vehicle Policy of Assam, all Government vehicles to be converted to electric vehicles by 2030. After 2025, only Electric Vehicle will be allowed to purchase wherever applicable.
- c. Considering the increasing level of vehicular pollution by old vehicles and as announced in the State budget 2022-23, the State Cabinet has already approved to impose a "Green Tax" for renewal of Registration by non-transport and transport vehicles above 15 years and 10 years respectively so as to discourage them from renewal of Registration of such vehicles further.
- d. The State Government through its "Electric Vehicle Policy of Assam 2021", which seeks to encourage rapid adoption of Electric Vehicles in a manner where they contribute to 25% of all new vehicle registrations by 2026, already announced providing incentive of Rs 20,000, Rs 50,000 and Rs 1,50,000 for 2 (Two) Wheelers, 3 (Three) Wheelers and 4 (Four) Wheelers respectively besides exemption/reimbursement of registration charges and road tax on Electric Vehicles (2, 3 and 4 wheelers) for 5 years apart from 100% Waiver on parking charges.
- e. To encourage & incentivize people to voluntarily hand over their vehicles to RVSF and in pursuance of MoRTH Notification vide GSR 720(E), Dtd. 5th October 2021, in case a new vehicle is registered against submission of "Certificate of Deposit", the concession in the motor vehicle tax shall be 25% in case of non-transport vehicles and 15% in case of transport vehicles in the State of Assam. This concession shall be available upto 8 years in case of transport vehicles and upto 15 years in case of non-transport vehicles. In case any person purchases an electric vehicle against submission of "Certificate of Deposit", the concession shall be in addition to the tax exemption available under the Electric Vehicle Policy of Assam 2021 on the balance tax. Further, the fee for issue of Certificate of Registration shall not be levied for such vehicles purchased against submission of "Certificate of Deposit".
- f. Vehicles, seized and impounded by any enforcement agencies, if found unfit to ply on road, may be disposed through RVSF following the prescribed procedures.
- g. In order to reduce vehicular pollution and to incentivize the vehicle owner to opt for scrapping of their vehicles voluntarily, the State Govt. shall launch a "One Time Settlement" scheme for a specified time period so that any vehicles on voluntarily offer of their vehicles to Registered Vehicle Scrapping Facility shall be given tax waiver upto 75% against their outstanding/arrear dues, if any.
- h. The MoRTH vide GSR 272(E), Dtd. 05/04/2022 already notified that for renewal of Fitness Certificate (after every 2 years for vehicles upto 8 years old & one year for vehicles older than 8 years) in respect of Transport vehicles, Fitness testing shall be

mandatorily be done only through an Automated Testing Stations (ATS) for HMV w.e.f. 1st April 2023 & MGVS & LMV w.e.f. 1st June 2024. Accordingly, those Transport Vehicles which do not pass the Fitness test or not granted a certificate of fitness by the ATS shall be handed over to the RVSF for scrapping.

- i. After Fitness testing is made mandatory for transport vehicles in Automated Testing Station (ATS), this shall be made compulsory for all categories of vehicles including Non-Transport vehicles & its fitness testing after 15 years during the time of Renewal of Certificate shall be done only at ATS. Those non-transport vehicles not passing the Fitness test or not granted a certificate of fitness by the ATS shall be handed over to the RVSF for scrapping.

6. INTERPRETATION:

The decision of the State Government in regards to interpretation of any clause of the policy shall be final and binding.

7. FISCAL INCENTIVES FOR RVSF

Existing Incentives under the Industrial and Investment Policy of Assam (and its amendments /revisions), other relevant policies of the State Government and other relevant policies of the Central Government, shall be applicable under this Policy, subject to specific conditions as defined in the Policy.

Key Incentives in Industrial and Investment Policy of Assam 2019:

1. 100% Exemption of Stamp Duty and Registration, subject to a monetary ceiling of INR 25,00,000/- (Rupees Twenty Five Lakhs only)
2. Power Subsidy of INR 2.00 per unit for a period of 5 years – applicable from the date of commencement of industrial production of the Unit; subject to an overall maximum of INR 50.00 lakhs per annum.
3. Subsidy on Generator Set at 50% of the cost of generator set, taxes and transportation only, subject to a limit of INR 20,00,000/- (Rupees Twenty Lakhs only); provided the capacity of the Generator Set is equivalent to the power sanction to the unit by the competent authority.
4. Interest Subvention Incentive: 2% interest subsidy on working capital loan availed from Bank/ Non-Banking Financial Institution for 5 years subject to a ceiling of INR 50 lakhs per annum and not exceeding 100% of investment in plant and machinery.
5. 100% SGST reimbursement for a further period of 10 years (i.e. For a composite period of 15 years) for small, medium and large industries with an upper limit of 150% of Fixed Capital Investment

6. Technology Transfer and Quality Certification : The fees payable for obtaining BIS/ISO certification etc., and the fees payable for getting technical knowhow/ Technology transfer from any recognized national /international research laboratories/ Technical Institutes/ University, institutions like CFTRI, CIPET, etc. by the industrial unit, shall be provided subsidy up to the extent of 75% of the total valuation of fees, subject to a ceiling of INR 10,00,000/- (Rupees Ten Lakhs only)per unit.
7. Financial Assistance to MSMEs listed in Stock Exchange: Subsidy @ 30% of the cost of Public Issue expenses, subject to maximum of INR 5,00,000/- (Rupees Five Lakhs only).
8. Assistance for Environmental Compliance: Subsidy @ 50% on capital cost for setting up of effluent treatment plant subject to maximum of INR 25,00,000/- (Rupees Twenty-Five Lakhs only) per unit.
9. Incentives for Employment Generation : One-time incentive of INR 10,000/- (Rupees Ten Thousand only) to the employer against each local youth employed by the unit.
10. Landbank support to Registered Vehicle Scrapping Facility : Industrial Development Corporations of Government of Assam including AIIDC, AIDC and ASIDC shall facilitate land allotment to Registered Vehicle Scrapping Facility (RVSF) in Industrial Estates and Parks across Assam.

8. RIGHTS OF THE STATE GOVERNMENT:

- a. The State Government reserves the right to amend any provision(s) including amendment or withdraw any of the incentives/ subsidies as and when necessary for promotion of scrapping of unfit and end of life vehicles and in the interest of the general people of the State from time to time under the provision of the Policy.
- b. The State Government reserves the right to review the matter regarding sanction/disbursement of subsidies/ incentives and in this connection, the State Government's decision shall be final and binding.
- c. State Govt may engage an independent agency to study and recommend the no of RVSF viable for the state and locations thereof.
- d. The State Government reserves the right to make/ amend the necessary rules for implementation of this policy as and when required.