



**GOVERNMENT OF TRIPURA
TRANSPORT DEPARTMENT**

**VEHICLE SCRAPPING POLICY OF
TRIPURA, 2024**

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VEHICLE SCRAPPING POLICY OF TRIPURA, 2024

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, is 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), Dated. 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.

In view of above, Transport Department, Government of Tripura has prepared the "**Vehicle Scrapping Policy of Tripura, 2024**"

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 **1,31,852** vehicles are registered in Tripura. Over the course of next 5 years, additional **1,18,652** vehicles registered in Tripura will cross the age of 15 and a substantial number of this End-of Life Vehicles (ELV) will be from the commercial category. In the above background and Tripura being a small state in the North- eastern region, the **Vehicle Scrapping Policy of Tripura 2024** 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 Tripura.
- 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 may be applicable in the State of Tripura.
- ii. It may come into force with effect from date of notification and may be applicable initially for 05 years.
- iii. The vehicles registered in Tripura may 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** may be addressed to the Transport Commissioner, Paribahan Bhawan, Agartala, Tripura.
- v. An application for RVSF may be made online at <https://transport.tripura.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 may dispose within a period of 60 (sixty days) from the date of application.
- vi. The registration for RVSF may be valid for an initial period of 10 (ten) years, which may be renewable for another 10 (ten) years at a time along with non-refundable processing fee of Rs. 1,00,000/- (Rupees One Lakh only).
- vii. The Registered Vehicle Scrapping Facility established in Tripura 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 authorized person to RVSF, the RVSF may issue the "Certificate of Deposit" as evidence of transfer of ownership of the vehicle. The Certificate of Deposit, which may be traceable, may 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 may 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 may 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 Government /PSUs/Government 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 Organizations 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 SCRAPPING POLICY IN TRIPURA

For implementing this Scrapping policy in an effective way in the state of Tripura 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 may be adopted in the State of Tripura;

- a) All Government. Vehicles under different Government. Departments, PSUs, Organizations, Autonomous Councils etc. above 15 years of age as on 15th October, 2024 are to be mandatorily scrapped through a Registered Vehicle Scrapping Facility (RVSF) only by 15th October, 2024 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 takes part in auction process; the vehicle may be handed over to the highest bidder.
- b) As per Electric Vehicle Policy 2022 of Tripura, 10% of the total strength of vehicles to be converted to electric vehicles by 2027.
- c) Considering the increasing level of vehicular pollution by old vehicles, the State Government may 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) To encourage & incentivize people to voluntarily hand over their vehicles to RVSF and in pursuance of MoRTH Notification vide GSR 720(E), Dated, 5th October 2021, in case a new vehicle is registered against submission of "Certificate of Deposit", the concession in the motor vehicle tax may be 25% in case of non-transport vehicles and 25% in case of transport vehicles in the State of Tripura. This concession may be available up to 08 years in case of transport vehicles and up to 15 years in case of non-transport vehicles.
- e) Vehicles, seized and impounded by any enforcement agencies, if found unfit to ply on road, may be disposed through RVSF following the prescribed procedures.
- f) In order to reduce vehicular pollution and to incentivize the vehicle owner to opt for scrapping of their vehicles voluntarily, the State Government. may 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 may be given tax waiver up to 100% against their outstanding/arrear dues, if any and 100% fitness penalty waiver for transport vehicles.

6. INTERPRETATION:

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

7. FISCAL INCENTIVES FOR RVSF

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

The proposed RVSF may claim any incentive that has been provided by Tripura Industrial Investment Promotion Incentives Scheme (TIIPIS), 2022 as amended from time to time subject to the conditions and eligibility framed therein, which goes into commercial production in the State on or after first April, 2022 but before or on 31st March, 2027. Few highlights of the incentives under the said policy are mentioned below:

- A. Minimum capital investment for setting up of RVSF Centre is to be there to avail subsidy/incentive. The minimum capital investment can be notified after discussion with the line Departments.
- B. Registered Vehicle Scrapping Facilities (RVSF) is to be set up as per the eligibility criteria in Clause-5 and 6 of the Motor Vehicle (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021.
- C. Scrapping Yard and Collection Centre is to be set up as per the provision mentioned in Clause-13 of the Motor Vehicles (Registration and functions of Vehicle Scrapping Facility) Rules, 2021.
- D. The end products after scrapping of vehicles by RVSF Centre should be in the form of particular form/size like compressed block/ingot/sheet etc. and subsequently re-use as raw material in any manufacturing process, then such activity will be considered eligible for subsidy under TIIPIS, 2022, it is to be mentioned here that only scrapping activity will not be considered for subsidy under TIIPIS, 2022 (it will come under service sector activity and in the negative list of TIIPIS, 2022).
- E. The activity of the Automated Testing Station comes under service sector activity and such activity is not covered under the purview of the eligible service sector activity for subsidy under TIIPIS, 2022.
- F. Power charges will be provided to all eligible industrial units (RVSF) with connected load of above 20HP @ Rs.5.00 per unit without any upper ceiling. The industrial units with connected load up to 20 HP will be provided partial reimbursement of power charges @ 25% of power

charges actually paid by the enterprise, subject to a maximum amount of Rs. 15.00 Lakhs per enterprise per annum.

- G. Employment Cost Subsidy @100% shall be reimbursed to eligible Micro, Small and Medium Enterprise on contribution made towards Employee's Provident Fund (EPF) and Employee's State Insurance (ESI) Scheme, subject to employment of 20 or more people skilled and semi-skilled workers who are domicile of the State and Employment cost subsidy shall be paid to MSME enterprises with employment of 20 or more persons who are domiciled of Tripura @ 50% of employer contribution paid towards EPF and ESI after 5 years of operation. In this regard, (i) Employees Provident fund Act, 1952 is applicable to the establishment where 20 or more employees were engaged in any day of the last preceding year.
- (ii) Employees State Insurance Scheme is applicable to the establishments where 10 or more employees were engaged in any day of the last preceding year.

Further, except certain mere provisions under the RPF Act and ESI Act are referred to the appropriate Government. Like, under the provision of Section-5-(B)(D) of the EPF Act, 1952 employees the State Government for approval in constitution of specific State Board of Trustees by the Central Government. And, under the provisions of Section 96 of the ESI Act, 1948 empowers the State Government to frame rules related to the constitution of ESI court, appointment of judge, establishment of hospitals, dispensaries and other establishments, allotment of insured persons to any such hospital or institution for primary and secondary medical treatment to the Insured Persons (IP) and extending coverage to the various establishments situated within the jurisdiction of the State Government under ESI Act. The purview of enforcement of the above-mentioned Acts are being implemented by the Ministry of Labour & employment, Government of India including registration of establishments, collection of employees and employee's monthly contribution etc.

- H. All eligible new Micro, Small and Medium enterprises will be entitled to an incentive at the rate of 30% of the fixed capital investment, subject to an aggregate ceiling of Rs. 100 Lakhs in each enterprise.
- I. The Industrial Promotion Subsidy shall be equal to the amount of Goods and Services Tax (**net of output tax**) paid to the State Government and **not on net of input tax** during initial five years of operation. Payment of subsidy is subject to overall ceiling of Rs.80 Lakhs per enterprise per annum.

- J. Land bank support to Registered Vehicle Scrapping Facility: TIDC may facilitate land allotment to Registered Vehicle Scrapping Facility (RVSF) in Industrial Estates and Parks across Tripura.

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 may be final and binding.
- c) State Government 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.

By order of the Governor

**Signed by Subrata
Choudhury**

Date: 18-11-2024 22:14:18

(Subrata Choudhury)
Additional Secretary to the
Government of Tripura