

New Vehicle Scrappage Policy: End of the road for outdated vehicles

Pratiksha

Finance Minister Nirmala Sitharaman announced the much-awaited voluntary vehicle scrapping policy in the Union Budget for 2021-22 on February 1. Under the new policy, personal vehicles would undergo fitness test after 20 years while commercial vehicles would undergo fitness test after finishing of 15 years. The finance minister said, “The policy will help in encouraging fuel-efficient and environment friendly vehicles, thereby reducing vehicular pollution and oil import bill.”

Under the scheme, transport vehicles older than 8 years would be charged green tax at the time of renewal of fitness certificate at the rate of 10 to 25 per cent of road tax, whereas, personal vehicles would be charged green tax at the time of renewal of Registration Certification after 15 years. The revenue collected through the green tax will be utilized for tackling pollution.

“Government should come up with some significant incentives or subsidies if they want old vehicles to go off-road. Transport agencies like ours won’t lay off their vehicles in lieu of nothing.” said Husain Amreliwala, owner of HR Travels, a travel agency in Prayagraj.

While there have been talks about providing incentives to the vehicle owners, a detailed document regarding the provisions of the policy is still awaited. “This policy can be a remarkable step in the future of curbing air pollution and can lead to a surge in the number of electric vehicles.” said Robin Suyesh, an Assistant Professor of environmental studies at Sri Venkateswara College of the University of Delhi.

Last month, the Ministry of Road and Transport released a statement approving the policy of deregistration and scrapping of vehicles above the age of 15, owned by the government department and PSU. It stated that the policy will come into effect from April 1, 2022.