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GOVERNMENT OF PUDUCHERRY
TRANSPORT SECRETARIAT

(G.O. Ms. No. 01/Tr.Sectt./2024, Puducherry, dated 05th January 2024)

NOTIFICATION

Approval of the Lieutenant-Governor, Puducherry, is hereby conveyed for the "Puducherry Motor Vehicle Scrapping Policy 2024". The details of the Policy are as appended to this notification.

(By order of the Lieutenant-Governor)

Dr. A.S. SIVAKUMAR,
Joint Secretary to Government
(Transport).

PUDUCHERRY MOTOR VEHICLE SCRAPPING POLICY – 2024

1. Introduction.— Automobile Scrapping Policy aims at creating an ecosystem for phasing out unfit and polluting vehicles from the State/ Union Territory roads and to meet this objective state-of-the-art scrapping and recycling units have to be established.

The Scrapping Policy will help in increasing Automobile sales, provide employment, reduce import cost and generate incremental GST revenue. The said Policy provides an important link in creating circular economy (waste to wealth) for the Country.

The Union territory of Puducherry considers that Guidelines for disposal of the vehicles should be formulated to offer an authorized place to the registered owners of End of Life Vehicles (ELV), to get their vehicles scrapped. Such scrapping Guidelines and scrapping Procedure will help in ensuring that the vehicles, so scrapped, do not cause damage to environment and there should be a proper disposal of hazardous components of the scrapped vehicles.

In current global scenario, environmental pollution is considered to be the most alarming issue causing climate change, threatening lives of many 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) has recently launched the visionary Voluntary Vehicle-Fleet Modernization Program(V-VMP). This programme is aimed at creating an ecosystem for phasing out old unsafe, polluting vehicles and replacing them with newer safe and fuel-efficient vehicles. The Ministry has also notified the Registered Vehicle Scrapping Facility (RVSF) Rules *vide* Notification No. GSR 653(E) dated 23-09-2021 to enable setting up of modern vehicle scrapping facilities in India which can recycle the vehicles

in an environment friendly manner. This rules 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 Centers, Automobile Dismantling, Scrapping and Recycling Facilities and recyclers of all types of automotive waste products.

One compelling reason to bid farewell to aging vehicles is the environmental impact. Older motor vehicles tend to have higher emissions, contributing significantly to air pollution and climate change. In the pursuit of a cleaner and greener future, there has never been a more opportune moment to consider making switch to new vehicles by scrapping the old ones. The automotive landscape is rapidly evolving, with technological advancements paving the way for more eco-friendly and efficient options. By embracing newer, more fuel-efficient models or electric vehicles, the State can collectively reduce the carbon footprint and play a pivotal role in preserving the planet for future.

Beyond environmental benefits, upgrading to modern vehicles comes with a host of advantages. The latest automotive technologies not only offer enhanced safety features, but, also deliver improved fuel efficiency, reducing our dependency on fossil fuels. Embracing electric or hybrid options can further contribute to the global effort to transition towards sustainable energy source.

Moreover, scrapping old vehicles and transitioning to newer models can stimulate economic growth. The automotive industry continually invests in research and development, creating jobs and fostering innovation. By supporting this shift, the State actively contribute to the growth of industries dedicated to producing cleaner, more sustainable transportation options.

A Government of Puducherry has recognized the importance of this transition and is implementing various incentives to encourage people to trade in their old vehicles. These incentives includes motor vehicle tax concession, waiver of fee for registration of new vehicles and other perks, *etc.*,

2. Objectives and Vision.— As per Ministry of Road Transport and Highways data, in India, 1.2 crore End of Life vehicles are estimated to be without valid Registration Certificates and Fitness Certificates.

In the above background, the Union territory of Puducherry has formulated the Puducherry Motor Vehicle Scrapping Policy - 2024 with the following objectives:

- (a) Reduce pollution by scrapping old and unfit vehicles.
- (b) Improve road, passenger and vehicular safety.
- (c) Boost auto sector and generate employment.
- (d) Improve fuel efficiency and reduce maintenance cost for vehicle owners.
- (e) Formalize the current informal vehicle scrapping industry in the Union territory of Puducherry.
- (f) Boost availability of low-cost raw materials for Automotive, Steel and Electronic Industry.
- (g) Promoting recycling of vehicle scrap in a scientific manner.
- (h) Promoting of circular economy in an eco-friendly manner.
- (i) Encourage setting up of Registered Vehicle Scrapping Facilities (RVSF).

3. Short title and application.— (a) These Guidelines shall be applicable in the Union territory of Puducherry.

(b) They shall come into force with effect from the date of 01-04-2024 and will be valid for 5 years.

In the Guidelines, unless the context to otherwise requires

- (i) “Act” means, the Motor Vehicles Act, 1988 (59 of 1988).
- (ii) “Scrapping” means, the entire process from receipt and record of the ‘End of Life Vehicles’ including depolluting, dismantling, segregation of material, safe disposal of non-reusable parts, and issuance of Certificate of Vehicle Scrapping to the registered owner of a motor vehicle;

- (iii) “Registered Vehicles Scrapping Facility (RVSF)” mean, any establishment which holds a Registration for Vehicle Scrapping issued by the Transport Department, Government of Puducherry under these Guidelines for carrying out dismantling and scrapping operations.
- (iv) “Registration Authority” mean, the Transport Commissioner, Government of Puducherry.
- (v) “Appellate Authority” mean, the Secretary to Government (Transport,) Puducherry.
- (vi) “Enforcement Agency” mean, Police Department, Industries Department, Municipal Corporations/ Commune Panchayat, Pollution Control Board, Department of Revenue and Disaster Management, and Transport Department, Government of Puducherry and any other Government Departments or agencies authorized by the Government of Puducherry.
- (vii) “ELV” means, ‘End of Life Vehicles’ which are no longer validly registered or declared unfit through Automated Fitness Centres or their registrations have been cancelled under Chapter IV of the Act or due to an order of a Court of Law or self- declared by the legitimate registered owner as a waste vehicle due to any circumstances as specified in MoRTH notification No. GSR 653(E) dated 23-09-2021.
- (viii) “Certificate of Deposit” mean, the certificate issued by the Registered Vehicle Scrapping Facility to recognize the transfer of ownership of the vehicle from the Registered Owner to the Registered Scrapper for further treatment.
- (ix) “Certificate of Vehicle Scrapping” mean, the certificate issued by a Registered Vehicle Scrapping Facility to recognize the final disposal of a vehicle.
- (x) “Collection Centre” mean, a facility or an area that may be used for the sole purpose of collecting and storing the End of Life Vehicles and sending it for further processing at the Scrapping Yard.

- (xi) The vehicles registered in Puducherry shall be scrapped only by an authorized RVSF.

4. General Conditions and Applicability.— (a) 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 prescribed Form-I shall be addressed to the Transport Commissioner, Government of Puducherry. [Registering Authority of Registered Vehicle Scrapping Facility (RVSF)].

(b) An application for RVSF shall be made online at www.nsws.gov.in accompanied by required documents mentioned in RVSF Rules, 2021 along with non refundable processing fee of ₹ 1,00,000 (Rupees one lakh only) and an earnest money deposit by way of a Bank guarantee of ₹ 10,00,000 (Rupees ten lakhs), which shall be disposed within a period of 60 (sixty days) from the date of application.

(c) 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.

(d) The Registered Vehicle Scrapping Facility established in the Union territory of Puducherry may accept and scrap the Motor Vehicles Registered in any of the State or Union Territory under the jurisdiction of any Registration Authority.

(e) After handing over of the vehicles from owner or authorized 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 tradable, shall be a necessary and sufficient document of the owner to avail incentives and benefits for purchase of a new vehicle as may be declared from time to time.

(f) All the rules of the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 and other applicable Rules and Regulations have to be complied with by the RVSF.

(g) 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.

(h) Any pending dues on the vehicle to be scrapped shall be cleared before issuing Certificate of Deport by the RVSF.

(i) An undertaking from the owner or representative, indicating that vehicle has no pending criminal record or litigation and there are no pending dues on the vehicle shall be taken.

(j) Maintain safe custody of cut pieces of chassis number for a period of six months from the date of issue of Certificate of Vehicle Scrapping (CVS) and a physical copy of all documents for two years and scanned copies for ten years for record and examination during inspection.

5. Eligibility criteria for setting up of RVSF.— (a) They should establish an office in Union territory of Puducherry.

(b) Necessary licences and permissions for the purpose of setting up of RVSF in the Union territory of Puducherry shall be obtained from Directorate of Industries, Trade and Commerce, Puducherry pollution Control Committee, Department of Labour and other Government agencies.

(c) The RVSF may be owned and operated by any legal entity, be it a person, Firm, Society, Company or Trust established in accordance with Law having the following documents,-

(i) Certificate of Incorporation or the Shops and Establishment Act Registration or Udyam Aadhaar;

(ii) Valid Goods and Services Tax Registration;

(iii) If, MSME and/or Startup, applicable MSME/Startup documents as per the respective Acts/Scheme will be applicable.

(d) The applicant shall have applied for or having an approval for consent to establish from the Registering Authority of the State in which the Registered Vehicle Scrapping Facility is intended to be located.

(e) The applicant shall have a minimum turnover of INR 10 crores if, he in a single applicant or combined in case of consortium/joint venture partner.

(f) Upon issuance of the valid permit to operate RVSF, the applicant shall undertake to meet the minimum technical requirement for Collection and Dismantling Centers as per Central Pollution Control Board Guidelines before beginning operations.

(g) The applicant shall have competent manpower and appropriate equipment to carry out the depollution and dismantling activities in a safe and environmentally responsible manner.

(h) The applicant shall undertake to obtain the required quality certifications of ISO 9001 (quality management system) or ISO 14001 (environmental certification) or ISO 45001 (occupational health and safety) within twelve months of commencement of operations as a Registered Vehicle Scrapping Facility and RVSF shall ensure that ISO certifications are revalidated at least 3 months before their expiry.

(i) The applicant shall possess or provide an undertaking to obtain consent to operate from State Pollution Control Board within a period of six months from commencement of operations.

(j) The applicant shall undertake to abide by the provisions of all applicable Labour codes and all other Acts and Rules as applicable.

(k) The applicant shall provide evidence of availability of an adequate useable area of land in the orange zone of the State/Union Territory by way of ownership or agreement to sell or agreement for lease of a minimum period of three years.

(1) The applicant shall provide approved plant layout and the building plan.

6. 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 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 out lived 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

7. Strategy for effective implementation of Vehicle Scrapping Policy in Puducherry.— For implementing this Scrappage Policy in an effective way in the Union territory of Puducherry to reduce vehicular pollution and to phase out unfit and polluting vehicles, thereby promoting recycling of vehicle scrap in an eco-friendly manner, the followings steps shall be adopted.

(a) The Government of Puducherry to promote the use of Battery operated vehicles in the Union Territory has exempted the Registration Fees, Motor Vehicle Tax and Permit.

(b) To encourage and 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 shall be equivalent to 25% of the tax paid on scrapping vehicles in case of non-transport vehicles and 15% in case of transport vehicles in the Union territory of Puducherry. This concession shall be available for a period of 5 years from the date of implementation for both transport vehicles and non-transport vehicles.

(c) The vehicles seized and impounded by any enforcement agencies, if, found unfit to ply on road, may be disposed through RVSF by following the prescribed procedures.

(d) 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 and 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.

8. Interpretation.— The decision of the State Government in regards to interpretation of any clause of the Policy shall be final and binding.

9. Tax Concession for End of Life Vehicle (ELV) owners.—

Sl. No.	Rule 51A of CMVR 1989 Concession in Motor Vehicle Tax against submission of "Certificate of Deposit (CoD)"	Concession in MV Tax
(1)	(2)	(3)

1	Non-Transport Vehicle	The tax concession to be given for newly registered two and three wheeled vehicles against submission of CoD issued by the RVSF shall be equivalent to 25% of tax payable and concession shall be equivalent to 25% of taxable amount or ₹ 11,000 whichever is less for four wheeler.
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Note:

For the concession in tax for available, the Certificate of Deposit of same class of vehicle shall be submitted (*e.g.* For two wheeler CoD submitted for two wheeler, for four wheeler - four wheeler of LMV, MMV & HMV as the case may be or higher class of vehicle).

(1)	(2)	(3)
2 Transport Vehicle	The tax concession to be given for newly registered vehicles against submission of CoD shall be equivalent to 15% of tax paid for a period of 8 years from the date of registration of the scrapping vehicles.	To encourage the scrapping of End-of Life vehicles, the tax concessions shall be given for all age of vehicles being scrapped.

10. Waiver of Liabilities.— The Government of Puducherry will consider the waiver of liabilities on vehicle proposed for scrapping after taking inputs from all stake holding Departments' Authority for such waiver.

11. Rights of the Government.— (a) The Puducherry 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 Union Territory from time to time under the provision of the Policy.

(b) The Puducherry 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) The Puducherry Government may engage an independent agency to study and recommend the number 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.

12. Rights to inspection.— In order to ensure compliance of these Guidelines the authorized RVSF should keep office and scrapping yard, records, register maintained by him and all the machineries, equipments, operators in the premises at all the regional time, open for the inspection by the Registration Authority or authorized representative of Transport Department.

13. Payment for Scrapping Vehicles.— The payments for the scrapped vehicles to be made for the owners of ELVs as per the MoRTH Notification No. GSR 653(E), dated 23-09-2021.

14. Applicable Acts and Rules.— Provisions of the following Acts/ Rules and Regulations/Guidelines/Amendments thereof are applicable.

- (1) The Pondicherry Motor Vehicles Taxation Act, 1967.
- (2) The Pondicherry Motor Vehicles Taxation Rules, 1967.
- (3) The Motor Vehicles Act, 1988.
- (4) The Central Motor Vehicles Rules, 1989.
- (5) The Puducherry Motor Vehicles Rules, 1989.

15. Penalty.— In case of any violation of these Guidelines, the Registration Authority may forfeit the security amount in part or full or/ and may also cancel the registration of any RVSF. However, an opportunity of hearing will be given before forfeiture of security and before issuance of cancellation orders.

16. Audits and Certifications.— (i) The Registered Vehicle Scrapping Facility (RVSF) shall be audited by the Registration Authority for compliance with Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021.

(ii) The Registration Authority may delegate the powers of auditing.

(iii) RVSF may be audited by the Competent Authority or any such agency on behalf of Competent Authority for regulatory and compliance audit, audit of mass flow statement as maintained in Form-3 by the RVSF and all conditions stipulated by the Ministry of Road Transport and Highways *vide* Notification No. GSR 653 (E), dated 23-09-2021 and GSR 192(E), dated 10-03-2022 and any conditions that may be imposed from time to time.

(iv) Audit report shall be uploaded on the portal by the RVSF annually by the 31st May of that Financial Year.

(v) An yearly report of ELVs scrapped shall be furnished in the format prescribed by the Transport Department.

17. Appeal.— (i) Any person aggrieved by any order of the Registration Authority for forfeiture of security or issuance of cancellation orders, may within thirty days of the date of receipt of such order prefer an appeal before the Appellate Authority within 30 (thirty) days of issuance of penalty order.

(ii) The appeal shall be preferred in duplicate in the form of an application, setting forth the grounds of objections to the order of the Registration Authority and shall be accompanied by a certified copy of the order appealed against and fee of ₹ 1,000 (Rupees one thousand only).

18. Validity of the Policy.— This Policy and concessions shall be valid for five years from the date of publication of notification in the Official Gazette. The time-limit of the Policy shall be extended on approval of Government of Puducherry.

19. Amendment of the Policy.— Any clause of this Policy shall be amended within the Policy validity period after obtaining the approval of the Government of Puducherry.

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