

UT Administration of Dadra & Nagar Haveli and Daman & Diu  
Department of Transport  
Secretariat, Daman

No. DDTR/DMN/Scrapping Policy/2023/140

Dated: 02/08/2023

**NOTIFICATION**

The Administrator of Dadra & Nagar Haveli and Daman & Diu is pleased to notify the "Dadra and Nagar Haveli and Daman and Diu Vehicle Scrappage Policy, 2023". The Policy will come into effect from the date of notification and will be applicable initially for 10(Ten) years.

This Notification shall come into force from the date of publication in the Official Gazette.

By Order and in the name of the  
Administrator of  
Dadra & Nagar Haveli and Daman & Diu



Director-cum-Joint Secretary (Transport)  
DNH & DD

## Registered Vehicle Scrapping Policy of Dadra & Nagar Haveli and Daman & Diu, 2023

### 1. Introduction.—

The Ministry of Road Transport and Highways has recently launched the visionary Voluntary Vehicle-Fleet Modernization Program (V-VMP). This "Vehicle Scrapping Policy" is primarily aimed at creating an eco-system for phasing out of unfit and polluting vehicles in an eco-friendly manner. 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.

The RVSF policy will help in increasing Automobile sales, provide employment, reduce import cost, generate incremental GST revenue, and help to reduce pollution. The said policy provides an important link in creating circular economy (waste to wealth) for the country. The UT Administration of Dadra & Nagar Haveli and Daman & Diu is formulating a Policy for proper disposal of vehicles and to offer an authorized place to the registered owners of End-of-Life Vehicles (ELV), to get their vehicles scrapped. The policy will formalize the currently informal scrapping sector and promote safe and environment-friendly scrapping of vehicles and several measures will be initiated to encourage vehicle owners to scrap their unfit vehicles through the formal sector.

Against this backdrop, the Ministry of Road Transport and Highways (MoRTH) has 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 and all the provisions of RVSF Rules shall be applicable.

In view of above, UT Administration of Dadra & Nagar Haveli and Daman & Diu has framed the "Registered Vehicle Scrapping Policy of Dadra & Nagar Haveli and Daman & Diu, 2023."

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. Out of 1.2 crore vehicles to be scrapped across India, approximately seventy seven thousand vehicles in the UT of Dadra & Nagar Haveli and Daman & Diu are estimated as fit for scrapping as on 1.4.2023.

Over the course of next 5 years, additional sixty two thousand (approximately) vehicles registered in Dadra & Nagar Haveli and Daman & Diu will cross the age of 15 as End-of Life Vehicles (ELV). In addition, approximately five lakh fifty thousand vehicles in neighbouring districts of Palghar, Navsari, Valsad, Aahwa, and Nashik have completed 15 years period and ample potential exists to scrap these vehicles in the RVSF facility to be set up in the Union Territory. In the above background, UT Administration of Dadra & Nagar Haveli and Daman & Diu has formulated the Registered Vehicle Scrapping Policy-2023 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 Dadra & Nagar Haveli and Daman & Diu.
- 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 RVSF.

3. **Short title and application.** — a. This policy shall be applicable in the Union Territory of Dadra & Nagar Haveli and Daman & Diu.

b. They shall come into force with effect from the date of publication of notification in the Official Gazette.

In the Policy, unless the context 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)" means any establishment which holds a Registration for Vehicle Scrapping issued by the Transport Department, UT Administration of Dadra & Nagar Haveli and Daman & Diu



under this Policy for carrying out dismantling and scrapping operations.

- iv) "Registration Authority" means the Director of Transport, Transport Department, UT Administration of Dadra & Nagar Haveli and Daman & Diu.
- v) "Appellate Authority" means, the Secretary to Transport Department, UT Administration of Dadra & Nagar Haveli and Daman & Diu.
- vi) "Enforcement Agency" means Police Department, Industries Department, Municipal Corporations/Council, Pollution Control Board and Transport Department, UT Administration of Dadra & Nagar Haveli and Daman & Diu and any other agencies authorized by the UT Administration.
- 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" means 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" means the certificate issued by a Registered Vehicle Scrapping Facility to recognize the final disposal of vehicle.
- x) "Collection Centre" means 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) All vehicles, eligible to be scrapped as per this Policy, shall be scrapped only by an authorized RVSF, as per this Policy only. In case the vehicle is scrapped in any other facility other than authorized RVSF, the same shall be treated as illegal and accordingly the concerned scrapper shall be liable to be prosecuted in accordance with relevant provisions of law by the appropriate authority.

**4. General Conditions & 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 Director of Transport, UT Administration of Dadra & Nagar Haveli and Daman & Diu, (Registering Authority) of Registered Vehicle Scrapping Facility (RVSF).
- b) An application for RVSF shall be made online at [www.nsws.gov.in](http://www.nsws.gov.in) accompanied by required documents mentioned in RVSF Rules, 2021 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), and the application shall be disposed off 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 registered in UT of Dadra & Nagar Haveli and Daman & Diu may accept and scrap the 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 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.
- f) 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.
- 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 Deposit 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 by RVSF.
- 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 scan copies for Ten years for record and examination during inspection.

## **5. Eligibility criteria for setting up of RVSF-**

The Union Territory Administration of DNH AND DD when granting authorisation to any Registered Vehicle Scrapping Facility under rule 6 shall take into account the following eligibility criteria, namely:-

a. They should have office in UT of Dadra & Nagar Haveli and Daman & Diu.

b. The Registered Vehicle Scrapping Facility 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 Shop Act Registration or Udyam Aadhar;

(ii) Valid Goods and Services Tax registration; and

(iii) Valid Permanent Account Number.

(c) The entity shall have applied for or having an approval for consent to establish from the Registering authority of Union territory Administration in which the Registered Vehicle Scrapping Facility is intended to be located.

(d) The entity shall undertake to meet the minimum technical requirement for collection and dismantling centres as per Central Pollution Control Board Guidelines.

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

(f) The entity 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.



(g) The entity shall possess or provide an undertaking to obtain a consent to operate from UT of DNH and DD Pollution Control Committee within a period of six months from commencement of operations.

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

(i) The entity shall provide evidence of availability of an adequate useable area of land in the orange category industrial zone of the State or Union territory by way of ownership or registered agreement for Sale or agreement for lease of a minimum period of ten years.

(j) The entity shall have necessary cyber security certifications specified under sub-rule (2) of rule 4 of Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules 2021.

(k) The entity 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 valid Certificate of Registration (RC).
- b) Vehicles which have not been granted a certificate of fitness which have reached end of life.
- 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 UT Administration 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. 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.
- j) Any other vehicle voluntarily offered to a Registered Vehicle Scrapping Facility for scrapping by the owner.

**7. Incentives/Disincentives for effective implementation of Vehicle Scrapping Policy in Dadra & Nagar Haveli and Daman & Diu.—**

For implementing this scrappage policy in an effective way in the State UT of Dadra & Nagar Haveli and Daman & Diu with a view to reduce vehicular pollution & to phase out unfit and polluting vehicles, thereby promoting recycling of vehicle scrap in an eco-friendly manner, the following incentives/benefits shall be offered to the RVSF/ Public in the UT of Dadra & Nagar Haveli and Daman & Diu;



### **Benefits to the public**

a. 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 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 UT of Dadra & Nagar Haveli and Daman & Diu. This concession shall be available upto 8 years in case of transport vehicles and upto 15 years in case of non-transport vehicles.

b. The UT Administration by way of appropriate notification may also waive off liabilities on vehicles to be scrapped such as pending taxes, registration fees, insurance fees, penalty for late payment of tax etc, as may be applicable from time to time.

### **Benefits to the investors**

c. The UT Administration reserves the right to extend any of the incentives/subsidies under the existing Industrial Policy or otherwise 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 UT from time to time.

d. UT Administration may also allot suitable parcel of land to set up a RVSF unit, in order to encourage interested applicants to set up a world class facility on PPP basis.

### **Disincentives for continuation of vehicles above 15 years**

e. Considering the increasing level of vehicular pollution by old vehicles, the UT is already imposing a "Green Tax" as per Section 3(A) of Dadra & Nagar Haveli and Daman & Diu Daman and Diu Motor Vehicles Tax Act, 1974 for renewal of Registration of non-transport vehicles and transport vehicles above 15 years.

8. Interpretation. — The decision of the Secretary Transport, UT Administration of DNH and DD 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.—

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Sr. No.	Rule 51A of CMVR 1989	Concession in
	Concession in Motor Vehicle	M.V. Tax
	Tax against submission of	
	“Certificate of Deposit”	

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Non-Transport Vehicle

The tax concession to be given for newly registered vehicles against submission of COD shall be equivalent to 25% of tax paid on the vehicles.

NOTE:

1. For the concession in tax for two wheeler, certificate of deposit of two wheeler shall be submitted.
2. For the concession in tax for light motor vehicle, certificate of deposit of light motor vehicle shall be submitted.
3. For the concession in tax for commercial vehicle, certificate of deposit of commercial vehicle shall be submitted.]”



## 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 vehicles.

### NOTE:

1. The concession in MVTaxas above will be applicable for 10 (Ten) years from date of publication of the RVSF policy, 2023 in the Official Gazette.
2. To encourage the scrapping of End-of-Life vehicles, the tax concessions shall be given for all ages of vehicles being scrapped.

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### **10. Rights Of UT Administration.—**

a. The UT Administration of DNH and DD reserves the right to amend any provision(s) or withdraw any of the incentives/ subsidies as and when necessary for the promotion of scrapping of unfit and end-of-life vehicles and in the interest of the general public of the UT from time to time under the provision of the Policy.

ba. The UT Administration of DNH and DD reserves the right to review the matter regarding sanction/disbursement of subsidies/incentives and in this connection, the UT Administration's decisions shall be final and binding.

c. The UT Administration of DNH and DD may engage an independent agency to study and recommend the number of RVSF viable for the UT and locations thereof.

d. The UT Administration of DNH and DD reserves the right to make/amend the necessary rules for implementation of this policy as and when required.

**11. Rights to inspection.**— In order to ensure compliance of these guidelines the authorized RVSF should keep office and scrapping unit/ yard, records, register maintained by him and all the machineries, equipment's, operators in the premises at all the regional time, open for the inspection by the Registration Authority or authorized representative of Transport Department.

**12. 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.

**13. Applicable Acts & Rules.**— Provisions of the following Acts/Rules and amendments thereof are applicable.

- 1) The Dadra & Nagar Haveli and Daman & Diu Daman & Diu Motor Vehicles (Taxation on Passengers & Goods) Act, 1974.
- 2) The Dadra & Nagar Haveli and Daman & Diu Daman & Diu Motor Vehicles Tax Act, 1974.
- 3) The Motor Vehicles Act, 1988.
- 4) The Central Motor Vehicles Rules, 1989.
- 5) The Dadra & Nagar Haveli and Daman & Diu Motor Vehicles Rules, 1991.



- 6) The Dadra & Nagar Haveli and Daman & Diu Rural Improvement & Welfare Cess Act, 2000.

14. **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 deposit and before issuance of cancellation orders.

15. **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.

16. **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 from the date of receipt of such order prefer an appeal before the Appellate Authority

- (i) 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 Rs. 10,000/- (Rupees Ten thousand only).

All the relevant Rules notified vide G.S.R. 653(E) dated 23.9.2021, towards Powers and duties of RVSF, Registration procedure for RVSF, Validity and renewal of Registration, Criteria for scrapping of vehicles, Right to inspection, Scrapping Procedure, Issuance of Certificate of Vehicle Scrapping, Installation of CCTV Cameras, Scrapping Yard and Collection Centre, Audits and certifications shall be applicable under this Policy.

By order and in the name of the  
Administrator of  
Dadra & Nagar Haveli and Daman & Diu

  
Director-cum-Joint Secretary (Transport)  
DNH & DD