

No. RT-23013/8/2022-T
Government of India
Ministry of Road Transport & Highways
Transport Section
Transport Bhawan, 1, Parliament Street, New Delhi-110001

17th December, 2022

OFFICE MEMORANDUM

Subject: Process for scrapping of Govt vehicles older than 15 years through MSTC Portal - reg.

The undersigned is directed to refer to Department of Expenditure OM No. 01(18)2022 - E. II (A) dt 09.12.2022 (copy enclosed) and state that Voluntary Vehicle Fleet Modernization Program (V-VMP) or 'Vehicle Scrapping Policy' aims to create an eco-system to reduce pollution, improve road passengers and vehicular safety, improve fuel efficiency, reduce maintenance cost for the vehicle owners, move on towards circularity and have a bigger multiplier effect on economy. Successful implementation of this policy requires establishment of a network of Registered Vehicle Scrapping Facilities (RVSFs) and Automated Testing Stations (ATs) across the country.

2. It has been decided that Government vehicles which are older than 15 years and owned by Government of India and its Ministries/ Departments, State/ UT Governments and their Departments, Local Government institutions, State Transport Undertakings, Public Sector Undertakings, and Autonomous Bodies with the Government of India and State Governments shall be scrapped immediately in order to achieve policy objectives. In this regard, Ministry of Road Transport and Highways (MoRTH), vide GSR 845(E) dated 24th November 2022, has issued a draft notification prohibiting renewal of registration of Government owned vehicles older than 15 years, w.e.f. 1st April 2023. All condemned vehicles (including vehicles which have been prematurely condemned) are required to be scrapped through RVSFs.

3. In order to facilitate seamless scrapping of such vehicles, it is proposed that the e-auction platform developed by Metal Scrap Trade Corporation Limited (MSTC) which is a Mini Ratna Company-I PSU under the administrative control of Ministry of Steel, be used to conduct e-auction of such vehicles. RVSFs which have been commissioned as per provisions of MoRTH Notification GSR 653 (E) dated 23rd September 2021 shall only be allowed to participate in the auction. This would support operations of existing RVSFs by providing them with a base volume of end-of-life vehicles and would also encourage private investment in establishing new RVSFs.

4. The details of the proposed mechanism for scrapping of Government-owned vehicles through e-auction on MSTC portal is provided in Annexure-I. The necessary instructions shall be issued to MSTC by Ministry of Steel in this regard.

5. This issues with the approval of Competent Authority.

Encl: As above

Shashi
17/12/22
(Shashi Bhushan)

Under Secretary to the Government of India

To

1. Secretaries of all Union Ministries and Departments
2. Chief Secretaries of all State/ UT Governments

Copy to:

1. CEO, NITI Aayog
2. Secretary, Department of Expenditure

Annexure I

Proposed mechanism for e-auction of Government-owned vehicles through MSTC Portal

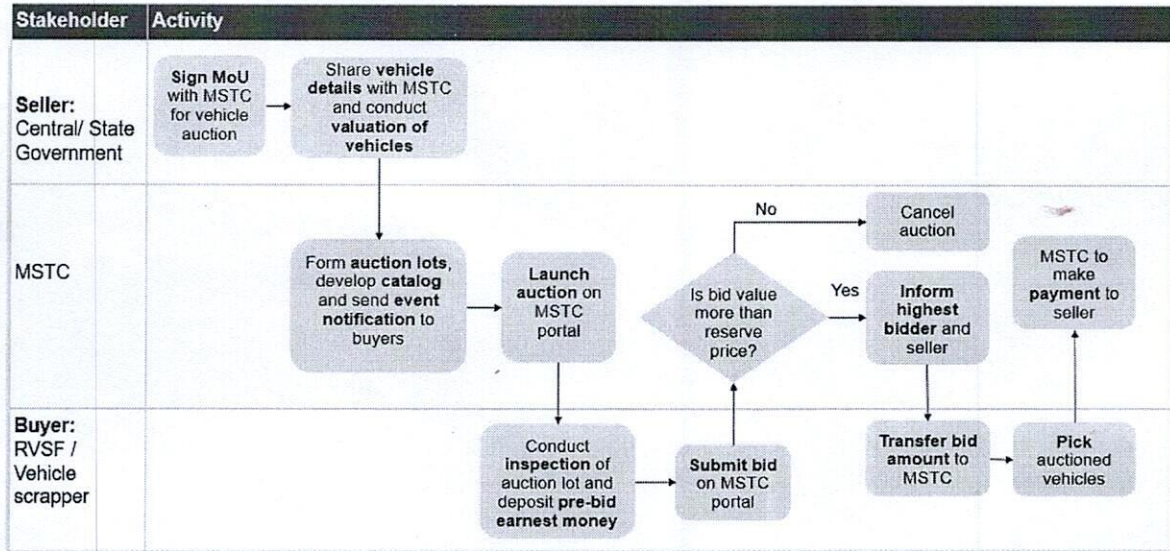
Union/ State Government to use portal developed by Metal Scrap Trading Corporation (MSTC) for e-auction of condemned vehicles to RVSF. In order to expedite the scrapping of condemned vehicles, Union/ State Governments may directly engage with MSTC to conduct e-auction. The detailed procedure for e-auction of vehicles through this portal is provided below:

1. Union Ministries/Departments and State Governments to share details of condemned vehicles (including vehicle type, model, vintage, image, etc.) with MSTC.
2. Union Ministries/Departments and State Governments to conduct valuation of vehicles through valuers appointed by them or empaneled by MSTC and finalize the reserve price and tolerance %
3. Union Ministries/ Departments and State Governments or MSTC to enter reserve price and associated tolerance % into MSTC portal before the launch of e-auction.
4. MSTC to form e-auction lots based on vehicle details, location of vehicles etc. and develop an e-auction catalog. Auction notification containing details of e-auction starting date, list of vehicles, location, ownership etc. will be sent to RVSFs. Such scrapping is to be done in accordance with the procedure as prescribed in Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules 2021.
5. e-Auction is then launched on MSTC portal.
6. Prospective bidders would be allowed to conduct on-site inspection of vehicles to assess fair value of the e-auction lot. High quality images may be included in auction catalog to reduce the requirement of physical inspection since the RVSFs may not have enough capacity to conduct physical inspection over a short period of time.
7. Interested bidders to deposit a pre-bid earnest money deposit (EMD) or Standing Security Deposit, as prescribed by MSTC, to become eligible for bidding. After depositing EMD or Standing Security deposit, bidders to submit their bid on MSTC portal.
8. e-Auction is to be closed at a pre-determined time. An e-auction is deemed successful if the highest bid value is more than the reserve price or within the tolerance threshold and is cancelled if the highest bid is lower than the tolerance of reserve price set by the seller. If an e-auction is cancelled for the first time, then the Competent Authority may put up the lot for re-auction after adjusting the reserve price based on market response. However, if the auction is cancelled again then the lot could be awarded to MSTC at the reserve price, this would be at the discretion of the Competent Authority.
9. Auto-generated notification is sent to the highest bidder and the seller.
10. Highest bidder (RVSF) would then transfer the bid amount to MSTC via RTGS/NEFT/Net Banking etc. as per e-auction catalog. MSTC to issue a digitally signed Delivery/Sale Order upon confirmation of payment.
11. Highest bidder (RVSF) to pick up the vehicles for scrapping and hand over a 'Certificate of Deposit' to MSTC through the Vahan RVSF module as per the process specified in rule 10 sub-rule 1 of GSR 653 (E) dated 23rd September 2021 and its amendment vide GSR 695 (E) dated 13th September 2022.
12. De-registration of vehicles to be done by RVSF as per the process specified in rule 10 sub-rule 1 of GSR 653 (E) dated 23rd September 2021 and its amendment vide GSR 695 (E) dated 13th September 2022.
13. MSTC to transfer bid amount to Union Ministries/Departments and State Governments along with the 'Certificate of Deposit'.

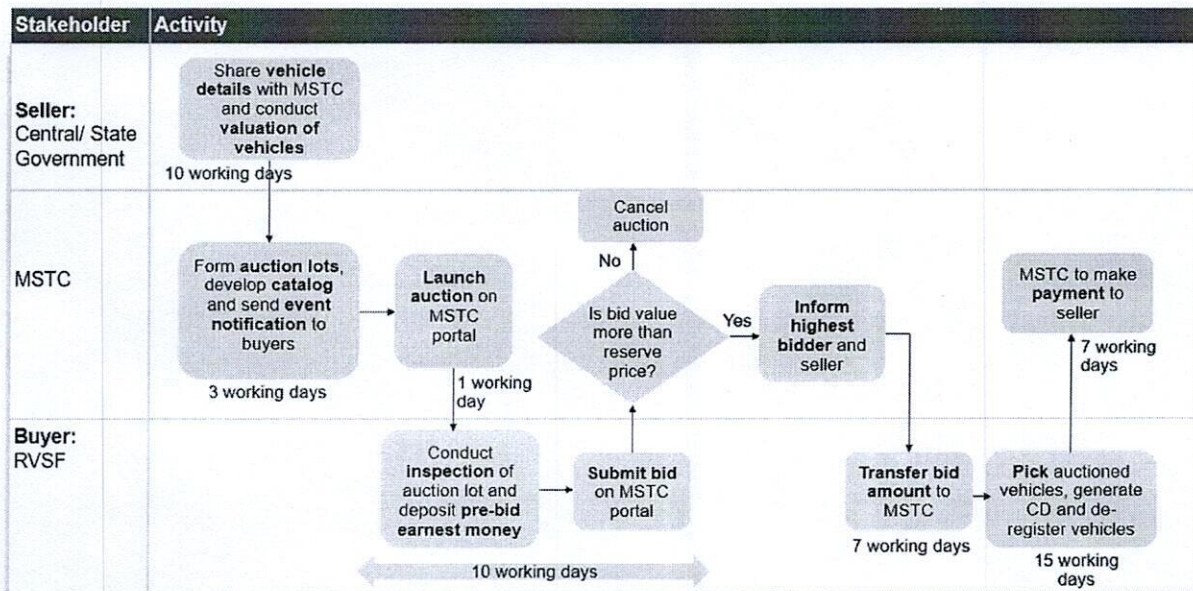
Shashi
17/12/22

Annexure-2:

A. Current mechanism to e-auction Government-owned vehicles through MSTC portal



B. Proposed mechanism (along with at maximum timeline for each step) to e-auction Government-owned vehicles through MSTC portal



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17/12/22