



# All India Road Transport Workers' Federation

P. Ramamurthy Bhawan, Plot No 20, M.B. Road, Pushp Vihar Sector 6, Family Court Lane, Saket,  
New Delhi - 110017, Office: 011-29561432, Mail - [airtwf.delhi@gmail.com](mailto:airtwf.delhi@gmail.com)

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General Secretary : K.K.Divakaran

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To,  
Joint Secretary(Transport),  
MORTH,  
Government of India,  
Transport Bhawan,  
New Delhi.

Date: 08-04-2021

Respected Sir,

Sub: Submission of objections and suggestions on Draft Rules on Scrapping Policy-  
Regarding.

Ref: Your Office Notification, GSR No.191 (E), dated: 15-03-2021.

We would like to submit the objections and suggestions from All India Road transport Workers' Federation (AIRTWF) on the subject under reference cited as below before your authority for consideration.

You are well aware that the Road Transport Industry and the Automobile Industry in India are in serious crisis prior to COVID-19. COVID has added fuel to the existing crisis. The main reason for the crisis of the Industry is the defective policy of the union Government like abnormal enhancement of the Excise Duty on fuels, Insurance Premiums, Toll Tax with liberty to the Toll operator to enhance rates every year and different Taxes. All these burdens have thrown the industry in to crisis.

Petty owners having one/two Commercial vehicles and they themselves working as driver cum owner constitute almost 80% of the total Commercial Vehicles in the country. It is only the source of their bread and butter. They are suffering a lot for their survival with the issues mentioned above. Many of them are not in a position to pay the monthly installments of the loans which they availed from private finance companies for the purchase of the vehicle. At this juncture, the introduction of the "Scrap Policy" will be an unbearable burden on them and will lead to eliminate them from the field. This will be a disastrous one for not only those petty owners but for the nation as a whole. It will pave the way for the big Corporates to occupy the Road Transport Sector.

It is not out of place to mention that when the industry was in a good position, the vehicle owners were selling their vehicle even before 10 years when he feels the maintenance cost is going up or the new technology came in. When the cost of operation has gone up so high and the revenue did not match with the expenditure, they are unable to dispose of the old vehicle to purchase a new one. At the same time, the purchasing capacity of the people of the country has come down drastically, which led to the stagnation in the Automobile industry.

The draft Policy will be applicable not only to the commercial vehicles but to the private vehicles also including two, three, four wheelers. It will be a heavy burden on the people as a whole.

Further, the State transport Undertakings in the country have formulated their own vehicle scrap policy and were implementing since some decades. Due to which the pollution levels, accident and breakdown rates are very low in the STUs. But recently, they are also not in a position to implement it because of the above mentioned defective policies of the Union Government. If the union Government is committed to Safety and to contain pollution, the first step should be to strengthen and expand the STUs according to the needs of the travelling public.

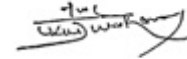
Hence, the Government of India should pay immediate attention and take policy decisions to save the industry and to bring the large section of the petty owners out of the present crisis. Such positive decisions will not only help the petty operators but the people at large and the economy of the nation as a whole.

Further it is suggested that the period of 30 days for submission of objections and suggestions as specified in the draft is very meager and not sufficient as the issue is a nationwide and an important one. It needs extensive discussions/consultations with all the stake holders at different levels throughout the country. It should be at least 180 days. The following are the suggestions placed before you.

- 1) The excise duty on fuel imposed during March and May 2020 should withdraw forthwith and the fuel prices should be brought down to January 2020 level.
- 2) Scrapping of the vehicle shall be voluntary but not compulsory.
- 3) If it is made compulsory, one third of the cost of the new vehicle shall be subsidized by the Union Government, another one third should be borne by the manufacturing company as discount and the rest of the one third can be borne by the vehicle owner for which the Government should make arrangements for Banks loan.
- 4) The period of 30 days specified in the Draft shall be extended to at least to 180 days.
- 5) Extensive discussions/Consultations shall be organized throughout the country at different levels with all the stakeholders.
- 6) STUs shall be strengthened and expanded to meet the travel demand duly financing for augmentation and replacement of buses.

Thanking you

Yours Sincerely,



(K.K.DIVAKARAN)  
General Secretary

Copy submitted for information to:  
Shri.Nitin Gadkari Ji,  
Hon.ble.Minister, MORTH,  
Government of India,  
New Delhi.