

68<sup>th</sup> July, 2024

**OFFICE MEMORANDUM**

**Subject:** Process for scrapping of Govt vehicles older than 15 years-reg.

The undersigned is directed to refer to this Ministry's OM of even no dated 17.12.2022 wherein the mechanism for scrapping of Government-owned vehicles through e-auction on MSTC portal was proposed and to state that in order to facilitate seamless scrapping of such vehicles, the e-auction platforms developed by Metal Scrap Trade Corporation Limited (MSTC), a Mini Ratna company-I under the administrative control of Ministry of Steel, and the Forward Auction portal developed by Government e-Marketplace (GeM) under the aegis of Ministry of Commerce and Industries, may be used to conduct e-auction of such vehicles.

2. Registered vehicle Scrapping Facilities (RVSFs) which have been commissioned as per provisions of MoRTH notified vide GSR 653(E) dated 23rd September 2021 and its amendments 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 establishment of new RVSFs.
3. The details of the proposed mechanism for scrapping of Government-owned vehicles through e-auction on MSTC and GeM portals are provided in Annexure.
4. The mechanism proposed in the Annexure is issued in supersession of the mechanism issued vide OM dated 17.12.2022.
5. This issues with the approval of the Competent Authority.

Encl: As above

(Harsh Prabhakar)  
Executive Engineer (Transport)

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

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

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

1. Union Ministries/Departments and State Governments to share details of condemned vehicles (including vehicle type, model, vintage, image, etc.) with the auction agency.
2. Union Ministries/Departments and State Governments to conduct valuation of vehicles through valuers appointed by them or empaneled by the auction agency and finalize the reserve price and tolerance %.
3. Union Ministries/ Departments and State Governments or the auction agency to enter reserve price and associated tolerance % into the respective portal before the launch of e-auction.
4. Auction agency to support the Union Ministries/Departments and State Governments in forming the e-auction lots based on vehicle details, location of vehicles etc. and in developing 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 the auction 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 the auction agency, to become eligible for bidding. After depositing EMD or Standing Security deposit, bidders to submit their bid on the auction 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, then the Competent Authority may put up the lot for re-auction after re-fixing the reserve price based on market response.
9. Auto-generated notification is sent to the highest bidder and the seller.
10. Highest bidder (RVSF) would then transfer the bid amount to the auction agency or the seller, as per the terms in the e-auction catalog. Auction agency 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 the seller 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. If the bid amount was transferred by the RVSF to the auction agency, the auction agency shall further transfer the bid amount to Union Ministries/Departments and State Governments along with the 'Certificate of Deposit'.

  
Harsh Prabhakar  
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राज्य परिवहन एवं सड़क परिवहन विभाग  
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