

Cabinet approves Scheme for support to NCRPB for replacement of old trucks and buses in Delhi-NCR area

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved a landmark two-year scheme aimed at reducing air pollution in the Delhi–NCR region and promoting cleaner mobility. The scheme will be funded through the National Capital Region Planning Board (NCRPB) under the Ministry of Housing and Urban Affairs (MoHUA) and implemented by the Ministry of Road Transport and Highways (MoRTH) and Ministry of Petroleum and Natural Gas (MoPNG). It will be implemented in collaboration with the participating States and Union Territories of Delhi, Haryana, Rajasthan, and Uttar Pradesh.

With a total financial outlay of Rs.9,585 crore, including Rs.5,041 crore from the Central Government and an estimated Rs.1,601 crore in tax concessions from the participating States, the scheme seeks to incentivize owners of trucks and buses registered in the Delhi–NCR region that comply with BS-IV or earlier emission norms to replace them with BS-VI or stricter emission-compliant vehicles, or electric vehicles (EVs). By accelerating the transition to cleaner transport technologies, the scheme is expected to significantly reduce vehicular emissions and contribute to improved air quality across the Delhi–NCR region.

Air pollution in the Delhi-NCR remains a severe public health challenge, particularly during winter months. As per the report on “Source Apportionment of Particulate Matter (PM 2.5 and PM 10) in the NCR” prepared by the Automotive Research Association of India (ARAI) and The Energy and Resources Institute (TERI), published in August 2018, the transport sector contributes 14% of PM 2.5, 40% of Carbon Monoxide (CO), and 63% of Nitrogen Oxide (NOx) emissions in the Delhi-NCR. Within the transport sector, trucks and buses account for 36% of PM 2.5 emissions with only 3% of the total fleet. It is estimated that a single Pre-BS heavy-duty vehicle emits as much as 14 BS-VI compliant vehicles. Even a BS-IV vehicle emits 2.7 times more than a BS-VI counterpart. Hence, the newer fleet is expected to reduce the vehicular pollution substantially.

The scheme will benefit approximately 2.07 lakh (1.91 lakh trucks and 16,329 buses) owners in Delhi-NCR (comprising Delhi, Haryana, Rajasthan, and Uttar Pradesh).

For BS-III or older vehicles, scrapping at Registered Vehicle Scrapping Facilities is mandatory, while BS-IV vehicles may either be scrapped or sold outside NCR in non-NCAP cities / towns. Owners must then purchase and register a BS-VI or stricter norms compliant or electric vehicle within NCR. However, In Delhi, Light Goods Vehicles purchased under the scheme must be electric, while buses must be BS-VI CNG or electric only. Government vehicles are excluded from the scheme.

Benefits under the scheme:

The Centre will provide 5% interest subvention on loans for five years, monthly fuel vouchers worth up to Rs.4,800 depending on vehicle category, and lump-sum benefits for EV purchases or Certificate of Deposit trading.

State governments will waive registration fees and grant up to 100% motor vehicle tax concessions for new vehicles and 50% for used vehicles for 10 years. State Government will also waive of pending liabilities on the old vehicles participating in the scheme.

Participating Auto OEMs will offer 8% discounts on ex-showroom prices.

Implementation will be fully digital through an integrated portal, which will enable real-time eligibility checks, automated interest subvention claims, monthly fuel voucher credits, and monitoring of pollution reduction outcomes. The benefits by central government will continue for 5 years from the date of registration of the new vehicle, ensuring sustained impact beyond the two-year enrolment window.

The scheme will be monitored by an Empowered Committee, chaired by Cabinet Secretary with CEO, Niti Ayog, Secretaries of MoHUA, MoRT&H, MoPNG, DFS, Chief Secretaries of states in Delhi NCR as members, and Member Secretary of NCRPB being the member convenor. At the district level, District Collectors/ District Magistrates will be implementing and monitoring the scheme.

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