GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO - 2020
ANSWERED ON - 05/08/2026

VEHICLE SCRAPPING POLICY AND OEM DISCOUNTS

2020. DR. LAXMIKANT BAJPAYEE:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) the total number of commercial and passenger vehicles successfully scrapped under the Vehicle Scrapping Policy up to mid-2026 and to what extent this policy has been found successful;

(b) whether Government has monitored the implementation of commercial discounts offered by leading automakers (OEMs) for replacing older commercial vehicles; and

(c) the details of further incentives planned to boost the adoption of Registered Vehicle Scrapping Facilities (RVSFs)?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) As on 31.07.2026, a total of 70,495 commercial vehicles and 3,96,486 passenger (private) vehicles have been scrapped at Registered Vehicle Scrapping Facilities (RVSFs).

(b) Government has developed a dedicated portal to capture the details of vehicles on which discounts have been provided by Original Equipment Manufacturers (OEMs). As on 27.07.2026, a total of 1,39,850 vehicles have availed discounts provided by OEMs.

(c) Under the Voluntary Vehicle Fleet Modernisation Programme (VVMP), a network of Registered Vehicle Scrapping Facilities (RVSFs) is being established for environment friendly scrapping/disposal of vehicles. As of 31.07.2026, 153 RVSFs are operational in 23 States/UTs. The Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 (as amended from time to time) have been notified. However, the responsibility of setting up RVSFs lies with respective State/UT Governments.

Further, in order to increase adoption of RVSFs and formal scrapping of vehicles, the following incentives are provided to citizens and State/UT Governments for scrapping of vehicles at RVSF: -

(i) GSR 714 (E) dated 04.10.2021 provides that, in case the vehicle is registered on submission of 'Certificate of Deposit', the fee for issue of certificate of registration shall not be levied.

(ii) GSR 720 (E) dated 05.10.2021 provides for concession in the motor vehicle tax (upto twenty-five per cent., in case of non-transport vehicles and upto fifteen per cent, in case of transport vehicles) for the vehicle registered against submission of "Certificate of deposit". Provided that this concession shall be available up to eight years, in case of transport vehicles, and upto fifteen years, in case of non-transport vehicles.

(iii) GSR 200 (E) dated 26.03.2025 provides for concession in the motor vehicle tax of up to fifty percent against such certificate for all transport and non-transport vehicles which are manufactured as per Mass Emission Standards Bharat Stage I (BS-I) norms and earlier Mass Emission Standard norms and all medium and heavy goods motor vehicles and all medium and heavy passenger motor vehicles which are manufactured as per Mass Emission Standards Bharat Stage II (BS-II) norms.

(iv) In order to expand coverage of RVSFs, incentives were given to the States/UTs under the Scheme for Special Assistance to States for Capital Investment from FY 2022-23 to FY 2025-26. The incentives were given based on achievements of various milestones by the States for setting up of RVSFs and scrapping of vehicles at RVSFs.

(v) The Government in Ministry of Environment, Forest and Climate Change (MoEF&CC) notified the Environment Protection (End-of-Life Vehicles) Rules, 2025 vide S.O. 98(E) dated 06th January, 2025 for environmentally sound management of end-of-life vehicles. Under the said rules, producers have been mandated to fulfil the obligation of Extended Producer Responsibility (EPR) for the vehicles that the producer has introduced or introduces in the domestic market, including vehicles put to self-use to ensure the specified end-of-life vehicle scrapping targets.

Producers are required to fulfil the EPR obligations by floating schemes such as buy back scheme, deposit refund scheme etc, or designate any other entity to fulfil the same. Every producer shall organise awareness campaigns and encourage customers by offering incentives to safe deposit End-of-Life vehicles at the RVSF or the designated Collection Centre.

(vi) To further facilitate de-registration of vehicles scrapped by RVSFs, the Government has issued notification GSR 490(E) dated 17.06.2026, inviting objections and suggestions, which, provides that the Registering Authority referred to under sub-section (1) of Section 55 of the Motor Vehicles Act, 1988, shall not accept any report for cancellation of registration of a motor vehicle on the ground of being destroyed, unless such report is accompanied by a Certificate of Vehicle Scrapping issued by a RVSF and duly verified electronically through the VAHAN database.

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