GOVERNMENT OF INDIA
MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

**LOK SABHA**
**UNSTARRED QUESTION NO. 2661**
TO BE ANSWERED ON 17.03.2025

**Sustainable Circularity in Automotive Sector**

2661.   SHRI ANURAG SINGH THAKUR:

Will the Minister of ENVIRONMENT, FOREST AND CLIMATE CHANGE be pleased to state:

(a) the details regarding new policy measures the Government is planning to implement to promote sustainable circularity in the automotive sector;
(b) the details of measures taken to improve recycling and waste management practices in the automotive sector;
(c) whether any new incentives or subsidies planned to encourage automakers to adopt greener production methods, if so, the details thereof; and
(d) the details of long-term plans to ensure India remains at the forefront of sustainable and circular economic practices in the automotive industry?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

(SHRI KIRTI VARDHAN SINGH)

**(a) to (d):** The Ministry of Road Transport and Highways (MoRTH) has formulated the Vehicle Scrapping Policy for creation of an ecosystem to phase out older, unfit and polluting vehicles. The policy targets scrapping of unfit and polluting vehicles based on their fitness. The policy also aims to boost availability of low-cost raw materials for automotive industry and promote circular economy by scrapping of old vehicles.

MoRTH notified the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 vide G.S.R. 653(E) dated 23.09.2021 for establishment of Registered Vehicles Scrapping Facility (RVSF).

MoRTH  has notified the Central Motor Vehicles (Twenty First Amendment) Rules, 2021 vide G.S.R. 652(E) dated 23.09.2021 for recognition, regulation and control of automated testing stations, the procedure of fitness testing of vehicles through automated equipment and the procedure for grant of Certificate of Fitness by automated testing stations.

Circular Economy Action Plan for end-of-life vehicles has been formulated by NITI Aayog for implementation by various Ministries, Departments and agencies.

The Ministry of Environment, Forest and Climate Change (MoEF&CC) published the Battery Waste Management Rules, 2022 vide S.O. 3984(E) dated 24.08.2022 for environmentally sound management of waste batteries, including Extended Producer Responsibility (EPR). The rules cover all types of batteries including batteries from vehicles.

Under the rules, producers are responsible for collection and recycling/refurbishment of waste batteries as an EPR. Further, the producers have been mandated the use of recovered materials from wastes while manufacturing new batteries.

Further, the MoEF&CC notified the Environment Protection (End-of-Life Vehicles) Rules, 2025 vide S.O. 98(E) dated 06.01.2025 for environmentally sound management of end-of-life vehicles. Under the said rules, producers have been mandated to fulfil the obligation of 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/ OEMs have been mandated to fulfil the EPR either through purchase of EPR certificates generated by its own RVSF or by any entity having RVSF. RVSFs can exchange the EPR certificates with the producers upon processing of every end-of life vehicle, based on the quantity of steel generated from the end-of-life vehicles, on the centralized online portal.

Scrapping of these vehicles at RVSFs minimizes waste generation from end-of-life vehicles. It also allows RVSFs to recycle different categories of wastes and dispose the wastes that cannot be recycled in an environmentally sound manner. Such recycled materials can be used in manufacturing of new vehicles or other products thereby reducing the use of natural resources, and minimizing the waste.

MoRTH notified the Central Motor Vehicles (Twenty Third Amendment) Rules, 2021 vide GSR 714 (E) dated 04.10.2021, which provides that if a buyer of a new vehicle submits 'Certificate of Deposit' of an end-of-life vehicle then the Registration fee on the new vehicle will not be levied.

MoRTH under the Central Motor Vehicles (Twenty fourth Amendment) Rules, 2021 vide GSR 720 (E) dated 05.10.2021 provides concession in the Motor Vehicle Tax of up to 25% in case of non-transport vehicles and up to 15% in case of transport vehicles which are purchased against the 'Certificate of Deposit'.

In addition, MoRTH has issued the following notifications / advisories to promote adoption of Electric Vehicles and eco-friendly alternatives:

(a) Vide S.O. 5333 (E) dated 18.10.2018, granted the exemption to the Battery Operated Transport Vehicles and Transport Vehicles running on Ethanol and Methanol fuels from the requirements of permit.
(b) Vide GSR 525 (E) dated 2.8.2021, exempted the Battery Operated Vehicles from the payment of fees for the purpose of issue or renewal of registration certificate and assignment of new registration mark.
(c) Vide GSR 302 (E) dated 18.4.2023, allowed to issue All India Tourist permit for Battery Operated Vehicles without payment of any permit fee.
(d) Vide GSR 749 (E) dated 7.8.2018, allowed to issue registration mark for the Battery Operated Vehicles to be in Yellow colour on Green background for the transport vehicles and for all other cases, in White in colour on Green background.

Ministry of Heavy Industries (MHI) launched 'PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme' on 29.09.2024 for promotion of electric mobility in the country with and outlay of Rs 10,900 crore over a period of two years. The

scheme provides subsidies or demand incentives worth Rs.3,679 crore to e-2Ws, e-3Ws, e-ambulances, e-trucks and other emerging EVs.

Ministry of Housing and Urban Affairs (MoHUA) launched a Centrally Sponsored Scheme titled 'PM e-Bus Sewa' on 16.08.2023, which aims to augment city bus operations in urban areas with Central Assistance (CA) of Rs. 20,000 crore for deploying 10,000 electric buses on Public-Private Partnership (PPP) model.

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