

**GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA
UNSTARRED QUESTION NO. 1147
ANSWERED ON 5th FEBRUARY, 2026**

RECYCLING AND SCRAPPING OF OLD VEHICLES

1147. SHRI P C MOHAN:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the Government has implemented any policy for the recycling and scrapping of old and unfit vehicles, including cars, two-wheelers and commercial vehicles, to reduce pollution and promote resource recovery;**
- (b) if so, the number of registered vehicle scrapping and recycling centres established so far across the country including Karnataka, particularly in Bengaluru;**
- (c) whether any incentives are being offered to individuals or companies for scrapping old vehicles and purchasing new fuel-efficient or electric vehicles, if so, the details thereof;**
- (d) the estimated environmental and economic benefits expected from large-scale vehicle recycling and scrapping; and**

(e) the future plans of the Government to develop vehicle scrapping and recycling as an organised industry with strong participation from the private and MSME sector?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) The Government has formulated the Voluntary Vehicle Fleet Modernisation Programme (VVMP) to address concerns on vehicular pollution and envisages voluntary scrapping of old and unfit commercial and personal vehicles.

Under VVMP, a network of Registered Vehicle Scrapping Facilities (RVSFs) is being established for environment friendly scrapping/disposal of vehicles. In order to facilitate establishment of these facilities, the Government has notified the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 vide GSR 653 (E) dated 23.09.2021 (further amended vide GSR 695(E) dated 13.09.2022, GSR 212(E) dated 15.03.2024 and GSR 700(E) dated 19.09.2025).

(b) As of 02.02.2026, there are 129 RVSFs operational in the country. The State of Karnataka has 2 operational RVSFs, out of which 1 is in Bengaluru.

(c) The following incentives are provided to citizens for scrapping of their 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 upto 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.

(d) The following environmental and economic benefits are achieved through large scale vehicle recycling and scrapping: -

(i) Scrapping of unfit/old vehicles is done in an environment friendly manner by RVSFs in compliance with guidelines issued by the government.

(ii) Promotion of circular economy as scrapping of vehicles boosts availability of low-cost raw materials (such as steel, copper, aluminium, rubber, etc.) for automotive, steel and electronics industry.

(iii) Scrapping of vehicles encourages replacement of old vehicles with new fuel-efficient and cleaner alternatives including EVs and hybrid models. New vehicles also comply with better emission norms (BS-VI) and are thus less polluting than those complying with older emission norms.

(e) As per rule 5 of the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021, the RVSF may be owned and operated by any legal entity, be it a person, firm, society, Company (including recyclers for ship breaking and recycling, plastic recycling and others) or trust established in accordance with law. Any interested investor including Micro, Small and Medium Enterprises (MSMEs) complying with the eligibility requirements as stated in these rules can setup an RVSF after receiving a Registration Certificate from the respective State/UT Government. As of 02.02.2026, there are 129 operational RVSFs which are established by private entities (including MSMEs).
