

Gadkari announces plan to have 2-3 vehicle scrapping unit in every district

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- **The Union minister was speaking at the inauguration ceremony of a new Registered Vehicle Scrapping Facility (RVSF) in Haryana.**

The Union Minister for Road Transport and Highways (MoRTH) on Tuesday announced that he plans to have 2 to 3 vehicle scrapping facility in every district across the country.

The Union minister was speaking at the inauguration ceremony of a new Registered Vehicle Scrapping Facility (RVSF) in Haryana.

At the event Gadkari also mentioned that they have huge potential for the Indian market. He, however, did not provide a timeline for his plan to be executed. Gadkari also announced plans to use raw materials like old tyres and plastics in the construction of the country's road network. He also indicated that he had approached the Environment ministry to allow for the import of old tyres for the same purpose.

The automotive scrappage policy also known as Voluntary Vehicle Fleet Modernisation Programme was launched by Prime Minister Narendra Modi in August 2021. PM Modi had said that the policy would bring in investments of around ₹ 10,000 crore.

Currently, about ₹ 22,000 crore worth of scrap steel is imported into the country. Gadkari said that scrappage policy will likely lead to a cut in raw material costs by around 40%.

As per the Government's new scrappage policy, all vehicles at the end of their registration period are required to undergo fitness testing. Only post this can the vehicle be eligible for re-registration.

Post-re-registration the vehicle has to be fitness tested every five years. Currently, commercial vehicles require mandatory testing after 10 years while passenger cars have a shelf life of 15 years. The government also provides incentives to owners voluntarily scrapping their vehicle including scrap value of between 4-6 per cent of the car's ex-showroom price and a registration fee waiver on a new car.

In November 2021, Maruti Suzuki and Toyota Tsusho Group jointly launched the country's first government-approved scrapping and recycling facility for end-of-life vehicles (ELVs), in Noida. Later in December 2021, both Tata Motors and Mahindra & Mahindra had announced signing Memorandum of Understandings (MoU) with Maharashtra Government to set up multiple vehicle scrapping centres in the state.