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TRANSPORT AND ROAD SAFETY DEPARTMENT

NOTIFICATION

Jaipur, January 02, 2026

S.No. F7(558)/pari/rules/hq/RVSF/2025/135

Rajasthan Vehicle Scrapping Policy- 2025

1. Introduction

Rajasthan stands at a strategic inflection point in its automotive and environmental trajectory. With a rapidly expanding automotive sector and a growing stock of End-of-Life Vehicles (ELVs), the State faces both a challenge and an opportunity. As per data from the Ministry of Road Transport and Highways, around 1.2 crore vehicles in India lack valid registration or fitness certificates, of which approximately 6 lakh are in Rajasthan alone. This number is projected to rise by 2.3 lakh annually over the next decade.

The State's robust industrial ecosystem, comprising over 120 automotive and auto component manufacturing units—including major players like Honda, Hero MotoCorp and Ashok Leyland—creates strong synergies for the development of a formal vehicle scrapping and recycling industry. The increasing demand for raw materials such as steel, aluminium, rubber, plastic, and glass further enhances this potential.

Additionally, the Rajasthan Electric Vehicle Policy (2022) is driving the transition from internal combustion engine (ICE) vehicles to electric vehicles (EVs), making the establishment of a sustainable scrapping infrastructure inevitable. This transition supports the broader goal of a circular economy by enabling efficient material recovery, minimizing environmental depletion, and integrating recycled materials back into the production cycle.

In this context, the Government of Rajasthan has developed the Rajasthan Vehicle Scrapping Policy, 2025—a forward-looking initiative to formalise the scrappage ecosystem, support sustainable mobility and advance circularity in the automotive sector. This transition supports the broader goal of a circular economy by enabling efficient material recovery, minimizing environmental harm, and reducing emissions by an estimated 1–1.5 tons of CO₂

per vehicle scrapped. The policy aims to create a quantifiable reduction in vehicular pollution through time-bound ELV retirement.

2. Vision

To remove unfit transport and non-transport vehicles from the State and enable a robust and high-value ecosystem that supports the growth of sustainable vehicle recycling and scrapping value chain in Rajasthan.

To systematically phase out unfit transport and non-transport vehicles and enable a robust, transparent, and traceable scrapping ecosystem aligned with sustainable manufacturing and environmental recovery goals.

With the endeavor of promoting circular economy in the automotive sector, the Vehicle Scrapping Policy, 2025, will undertake targeted interventions and incentives for ecosystem players.



3. Objectives

The state shall strive to:

3.1 Encourage the establishment of Registered Vehicle Scrapping Facilities (RVSFs), for formalising the unorganised recycling sector, reducing vehicular pollution, alleviating public health and enhancing road and passenger safety. To enable seamless integration of scrapping operations with national vehicle databases (e.g., VAHAN), facilitating automatic flagging of ELVs for regulatory enforcement.

3.2 To promote the development of Eco-Parks and integrated recycling hubs that support circular economy linkages between scrappers, recyclers and manufacturing industries.

3.3 To augment the availability of low-cost recycled materials for use in the automotive, steel and electronic manufacturing sectors.

3.4 To generate employment opportunities and facilitate sector-specific skill development and training through collaboration with industrial partners and skilling institutions.

3.5 To ensure compliance with environmental and safety regulations by promoting dismantling practices in conformity with Central Pollution Control Board (CPCB) and AIS-129 norms.

4. General Conditions of the Policy

4.1 This Policy shall come into effect on the date of publication and remain valid till 31st March 2029.

4.2 The vehicles registered in Rajasthan shall be scrapped only at a Registered Vehicle Scrapping Facility (RVSF). The Department of Transport shall serve as the nodal department for oversight, enforcement, and inter-agency coordination for policy implementation. All ELV scrappage data must be digitally integrated with VAHAN and State Transport portals to ensure traceability and auditability SMS/Email alert mechanism will be activated.

4.3 The Registered Vehicle Scrapping Facility (RVSF) established in Rajasthan may accept and scrap the vehicles registered in any of the state or union territory under the jurisdiction of any registration authority.

4.4 Unless specified otherwise, the definition in this policy shall be same as given in the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021.

4.5 The registration issued under rule 6 of The Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 shall be valid for an initial period of ten years, which shall be renewable for another ten years at a time, subject to the condition that the Registered Scrapper has not been in default of the provisions as specified in rule.

4.6 Transport Commissioner shall be the Registration Authority for Registered Vehicle Scrapping Facilities (RVSFs).

5. Conditions for Setting up Registered Vehicle Scrappage Facility

5.1 The Registered Vehicle Scrapping Facility may be owned and operated by any legal entity, be it an individual, firm, society, Company or trust established in accordance with law.

5.2 An application for RVSF shall be made online at www.nsws.gov.in accompanied by all other essential documents as required by the department along with non-refundable processing fee.

5.3 Minimum land requirement for establishing an RVSF shall be as per CPCB norms, preferably 1 acre in urban areas and 2 acres in rural/ peri-urban areas. The facility layout must comply with pollution control, fire safety, and waste segregation provisions prescribed in CPCB Guidelines(2023) for ELV dismantling units.

5.4 The entity shall obtain ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System) certifications within 12 months of commencement of operations.

5.5 The Registered Scrapper shall undertake to submit the audit report and necessary approvals as per the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021.

5.6 The applicant shall abide by the provisions of The Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021, AIS 129 and all other Acts/rules/amendments/guidelines made by Central/State government in this regard.

6. Criteria for Scrapping End of Life Vehicles (ELV)

6.1 Vehicles that have not renewed their Certificate of Registration (RC).

6.2 Vehicles that have not been granted a Certificate of Fitness.

6.3 Vehicles that are 15 years old and above, owned by the Government /PSUs/Government Agencies etc.

6.4 Vehicles that have been damaged due to fire, riot, natural disaster, accident, or any calamity. In this regard, self-certificate of the registered owner is sufficient.

6.5 Vehicles that have been declared obsolete or surplus or beyond economic repair by the Central or State Organizations of the Government/ PSUs.

6.6 Vehicles bought by any agency including Registered Vehicle Scrapping Facility in an auction.

6.7 Vehicles that have outlived their utility or application, particularly for projects in mining, highways, power, farms, etc. as may be self-certified by the owner.

6.8 Manufacturing rejects, test vehicles, prototypes, vehicles damaged during transportation from vehicle original equipment manufacturer to dealers, or unsold or unregistered vehicles as may be certified by the vehicle original equipment manufacturer.

6.9 Auctioned, impounded or abandoned vehicles by any enforcement agency.

6.10 Any other vehicle voluntarily offered to a Registered Vehicle Scrapping Facility for scrapping by the owner or the authorised person.

7. Procedure for Issuance of Certificate of Deposit (CoD) and a Certificate of Vehicle Scrapping (CVS)

7.1 Upon receiving an ELV, the registered vehicle scrapping facility shall provide the owner of the vehicle or the authorised person with a "Certificate of Deposit." The Certificate of Deposit, which shall be tradeable, shall be necessary and sufficient document for the owner to avail incentives and benefits for the purchase of a new vehicle as may be declared from time to time.

7.2 The Registered Vehicle Scrapping Facilities (RVSFs) shall be required to issue both a Certificate of Deposit (CoD) and a Certificate of Vehicle Scrapping (CVS) for all private and government vehicles as proof of vehicle scrapping undertaken by them. The time interval between the issuance of the CoD and the CVS shall not be more than 60 days under any circumstances. The CoD and CVS shall be digitally uploaded and auto-synced with the VAHAN portal within 72 hours of issuance.

7.3 The tradability of the CoD shall be governed by specific guidelines issued by the Department, with built-in safeguards against misuse or duplication. Each Certificate of Deposit (CoD) shall be digitally linked to the Registration Certificate(RC) of the scrapped vehicle in the VAHAN database. Incentives on the purchase of a new vehicle shall be admissible only upon verification of this linkage and submission of the valid CoD.

7.4 The Registered Scrapper shall have the cut piece of the chassis number in safe custody for a period of six months from the date of issue of Certificate of Vehicle Scrapping. After such period, the Scrapper shall deposit such pieces to the concerned District Transport officer under whose jurisdiction the centre is situated. The District Transport Officer shall keep such pieces in safe custody for a period of 18 months from the date of deposition of such pieces.

8. Incentives

8.1 Incentives for Registered Vehicle Scrapping Facilities (RVSFs)

- 8.1.1 First 20 registered units will be provided a special incentives equivalent to 25% of capital investment made by the unit, subject to maximum of INR 20 Lakh.
- 8.1.2 Investment Subsidy of 50% of State tax due and deposited for a period of 5 years from the date of commencement of operation.
- 8.1.3 Interest subvention per year for 5 years. Interest subsidy will be tele-scoped:
- For loan amount upto 5 Cr.: 6% Interest subvention
 - For loan amount 5-10 cr.: 4% Interest subvention
 - Loans 10-50 Cr: 3%
- 8.1.4 Exemption from payment of 75% stamp duty and reimbursement of 25% stamp duty.
- 8.1.5 100% electricity duty exemption for 5 years upto INR 1Lakh annually.

- 8.1.6 Exemption from payment of 75% conversion charge and reimbursement of 25% conversion charge.
- 8.1.7 To enable startups in the recycling and scrapping sector, the State shall strive to include it as one of the sectors for funding under Rajasthan Venture Capital Fund and Rajasthan Start Up Policy 2022.
- 8.1.8 The proposed incentive shall not have retrospective effect and shall be applicable only to centres registered after the date of publication of this policy in official gazette. These incentives shall apply to units that commence commercial operations on or before March 31, 2027, subject to adherence to compliance benchmarks.
- 8.1.9 All capital and interest subsidies shall be linked to annual performance audits. In case of non-compliance, a clawback provision shall apply.

8.2 Incentives for Vehicle Owners

- 8.2.1 Buyer of the new vehicle shall be eligible for an exemption of upto 50% on Motor Vehicle Tax, subject to a maximum limit of ₹1,00,000/-, if the vehicle is purchased from any authorised dealer in Rajasthan. This benefit shall be granted against the submission of a valid Certificate of Deposit (CoD), in accordance with the notifications issued by the Government of Rajasthan from time to time.

9. Regulation for End-of-Life Vehicle (ELV)

9.1 To reduce vehicular pollution and foster road safety in the State by means of increasing 'Green Tax' and other measures deemed necessary by the Department of Transportation.

9.2 To comply with guidelines and directives issued for vehicles by NGT and CAQM from time to time.

9.3 All government vehicles under different Government departments, PSU's, Organisations, and Autonomous Councils etc. above 15 years of age are to be mandatorily scrapped through RVSF only by means of auction. All such vehicles shall be considered automatically unserviceable for disposal of such 'End of Life' vehicles.

9.4 A dedicated grievance redressal mechanism shall be created to address wrongful classification of ELVs. Integration with VAHAN shall enable auto-flagging of vehicles lacking valid fitness or registration beyond a grace period.

10. Ecosystem Development

10.1 The State shall strive for automobile manufacturers to comply with the Extended Producer Responsibility (EPR) mandated by the Central Pollution Control Board (CPCB).

10.2 The State shall promote the development of integrated recycling facilities across Rajasthan to process multiple waste streams and strengthen circular linkages between scrapping entities, recyclers, and auto component manufacturers.

The sector will be encouraged in Resource Recovery of RIICO. These facilities shall be developed by industry associations, Special Purpose Vehicles (SPVS), or any entity registered under applicable laws, in accordance with prevailing land use and other norms.

10.3 Eco-Parks shall be defined as industrial clusters with a minimum land area of 10 acres, shared infrastructure, and plug-and-play modules. Urban planning authorities shall be directed to provide land use relaxations or expedited approvals for setting up such Eco-Parks and Collection Centers.

10.4 The sector will be encouraged in Resource Recovery Parks of RIICO in consultation with transport department.

10.5 In accordance with the provisions of the Rajasthan Investment Promotion Scheme 2024 (RIPS 2024), the State shall extend fiscal and non-fiscal incentives to manufacturing units that utilize recycled materials sourced from these integrated recycling facilities as their primary raw material.

10.6 For promoting a hub and spoke model, the Registered Scrappers shall be encouraged to create Collection Centers across the State, to ensure linkages between end-of-life vehicles in remote areas and scrappage facilities. All the Collection Centers shall adhere to Central Pollution Control Board (CPCB) and MoRTH Guidelines, if applicable.

11. Skill Development

To promote industry-aligned skilling, the State shall encourage formal collaborations with leading industry stakeholders, sector skill councils, and academic institutions. These collaborations shall facilitate the design and delivery of specialized skill development programmes. Training modules shall include dismantling of EV batteries, sorting of recyclable plastics, and safe handling of hazardous vehicle fluids, in partnership with RSLDC and Skill University.

12. Awareness Building

12.1 Auto dealers shall be mandated to display the incentives for scrappage of end-of-life vehicles (ELV) for such owners in their dealerships.

12.2 The Department will undertake awareness drives in the State on the environmental and public health risks of ELVs and benefits of scrapping them at RVSFs.

12.3 The Department shall issue standardized IEC material (banners, digital standees) to be displayed at RTOs, auto dealerships, and public transport hubs in local languages.

13. Vehicle Scrappage Steering Committee

A State Steering Committee comprising of the following shall be constituted:

1.	Chief Secretary	Chairman
2.	Additional Chief Secretary /Principal Secretary/ Secretary,Transport	Member
3.	Additional Chief Secretary/ Principal Secretary/ Secretary, Finance or their representative not below the rank of Joint Secretary.	Member
4.	Additional Chief Secretary/Principal Secretary/ Secretary, Environment and Forest or their representative not below the rank of Joint Secretary.	Member

5.	Additional Chief Secretary/Principal Secretary/ Secretary, Industries or their representative not below the rank of Joint Secretary.	Member
6.	Chairman, Pollution Control Board	Member
7.	Transport Commissioner	Member Secretary

The Steering Committee shall be a standing committee and shall meet bi-annually to review the Rajasthan Vehicle Scrapping Policy. It shall be authorized to review and amend, if required, the provisions at 5, 8.1, 9, 10. It shall also ensure effective monitoring, implementation and compliance of the provisions of the Policy. The Transport Department shall serve as the Secretariat for the Committee and maintain quarterly dashboards for progress monitoring.

14. Rights of the State Government

14.1 The State Government reserves the right to amend any provision(s) including withdrawal of any incentives/subsidies as and when necessary.

14.2 The decision of the state government in regards to interpretation of any clause of the policy shall be final and binding.

14.3 The State reserves the right to review the matter regarding sanction/disbursement of subsidies/incentives and in this connection, the State Government's decision shall be final and binding.

14.4 The Transport Department may engage an independent agency to audit, study and recommend best practices for promoting vehicle scrapping in Rajasthan.

14.5 Concerned Departments will issue separate Notification/Circular/Guidelines for the implementation of this policy.

14.6 A mid-term policy review shall be conducted after 3 years to evaluate impact and recommend structural reforms. No retrospective withdrawal of incentives shall occur unless violation of compliance conditions is established through audit.

15. Special Provision

15.1 Provisions under this policy may be superseded as per the latest amendments in the Acts/Rules/Standards issued by Central/State Government from time to time.

By order of the Governor,

Om Prakash Bunkar,

_____ **Joint Secretary to the Government.**

_____ **राज्य केन्द्रीय मुद्रणालय, जयपुर।**