

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO. 2383
FOR ANSWER ON 19.12.2025

STEEL SCRAP RECYCLING

2383. SHRI SUBHASH BARALA:
SHRI MITHLESH KUMAR:
SHRI SADANAND MHALU SHET TANAVADE:

Will the Minister of STEEL be pleased to state:

- (a) the initiatives being taken to formalize the scrap collection market and organize scrap dealers into cooperative societies to ensure a stable supply of EAF (Electric Arc Furnace) scrap;
- (b) the steps that have been taken by Government to establish registered Vehicle Scrapping Facilities and promote organized ELV (End-of-Life Vehicle) scrap supply; and
- (c) the impact of scrap-based steelmaking (EAF/IF) on energy use and resource efficiency, and the extent to which it is more efficient in comparison to blast furnace-based production?

ANSWER

THE MINISTER OF STATE IN THE (SHRI BHUPATHIRAJU SRINIVASA VARMA)
MINISTRY OF STEEL

(a)&(b): The measures taken by the Government to facilitate and promote scrap collection and promote establishment of Registered Vehicle Scrapping Facilities (RVSFs), in India are as under: -

- i. The Steel Scrap Recycling Policy, 2019 provides a coordination framework with various Ministries to facilitate and promote recycling of ferrous scrap generated from various sources.
- ii. Ministry of Environment, Forest & Climate Change has introduced the Environment Protection (End-of-Life Vehicles) Rules, 2025, which establishes a framework for managing End-of-Life Vehicles (ELVs) in an environmentally sound manner and mandates Extended Producer Responsibility (EPR), requiring vehicle producers to meet annual scrapping targets based on the type of vehicle and materials recovered.
- iii. Recycling of Ships Act, 2019 has been notified by Ministry of Shipping, Ports and Waterways with aims to regulate and promote the safe and environmentally sound recycling of ships.

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- iv. The Ministry of Road Transport and Highways (MoRTH) has formulated the Voluntary Vehicle Fleet Modernization Program (V-VMP) or Vehicle Scrapping Policy for creation of an ecosystem to phase out unfit and polluting vehicles in an environment friendly manner.

Under the policy, the MoRTH has notified GSR 653 (E) dated 23.09.2021 which provides for the Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021 for establishment Registered Vehicles Scrapping Facility (RVSF). These rules have been 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.

To promote setting up of RVSFs, The Government under the Scheme for Special Assistance to States for Capital Investment 2025-26, provides financial incentives to States/UTs for setting up RVSFs and scrapping vehicles in these facilities.

(c) Steelmaking through scrap depends on availability and cost economics is more energy and resource-efficient through the Electric Arc Furnace (EAF) and Induction Furnace (IF) routes. The use of scrap saves iron ore, part of coking coal, and limestone depending on its concentration and quality. Scrap based steel making makes blast furnace also energy & resource efficient, however, the input mix of scrap in BF-BOF is limited to 10-15%.
