

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 3894
FOR ANSWER ON 11.08.2026

STEEL SCRAP RECYCLING POLICY AND RESOURCE EFFICIENCY

3894. SHRI ANURAG SHARMA:

Will the Minister of STEEL be pleased to state:

- (a) the current status of implementation of the Steel Scrap Recycling Policy in the country, including the major initiatives undertaken thereunder, year and State/UT-wise;
- (b) the details of steel scrap recycling capacity created and the quantity of steel scrap processed and recycled so far, year and State/UT-wise;
- (c) the measures taken by the Government to promote organised scrap collection, scientific processing, shredding infrastructure and greater utilisation of domestically recycled steel scrap in steel manufacturing for reducing raw material imports and carbon emissions, State/UT-wise;
- (d) the strategy adopted by the Government to develop a robust and sustainable ecosystem for steel scrap recycling through public-private participation, investment promotion, regulatory support and technology adoption, State/UT-wise; and
- (e) the outcomes achieved in terms of resource efficiency, circular economy, energy conservation, reduction in greenhouse gas emissions and enhancement of the competitiveness of the domestic steel sector?

ANSWER

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

(a),(c)&(d): The current status of implementation of Steel Scrap Recycling Policy in the country including the measures taken by the Government to promote organized scrap collection, scientific processing and utilization of domestically recycled steel scrap in steel manufacturing as well as measures to develop robust and sustainable ecosystem for steel scrap recycling through public-private participation, investment promotion, regulatory support and technology adoption across the country are as under: -

- (i) The Steel Scrap Recycling Policy, 2019 provides a coordination framework with various Ministries to promote recycling of ferrous scrap generated from various sources.

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- (ii) The Ministry of Road Transport and Highways (MoRTH) has formulated the Vehicle Scrapping Policy, 2021 that includes a system of incentives/disincentives for creation of an ecosystem to phase out older, unfit polluting vehicles. Under the policy, MoRTH has issued rules for Registration and Functions of Vehicle Scrapping Facility (RVSF), which provides the procedures and infrastructure facilities required for de-pollution and dismantling of End-of-Life Vehicles (ELVs) for further recovery of metal and other materials under environmental regulations. As on 24.07.2026, 151 Registered Vehicle Scrapping Facilities (RVSFs) are operational across 23 States/UTs.
- (iii) The Government of India has notified the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 to ensure safe handling, storage, recycling, utilisation, treatment and disposal of hazardous and other wastes in an environmentally safe manner.
- (iv) 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.
- (v) 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.
- (b) During Financial Year 2025-26, total 36 million tonnes ferrous scrap was recycled for production of steel, of which approximately 28 million tonnes of scrap was generated domestically and 8 million tonnes were imported. The state/UT-wise details of Registered Vehicle Scrapping Facilities (RVSFs) across the country is available on the Ministry of Road Transport and Highways' parivahan portal at the URL given below: -
- '<https://vscrap.parivahan.gov.in/vehiclescrap/vahan/rvsfdetails.xhtml>'.*
- (e) Steel is a deregulated sector and the Government acts as a facilitator by creating a conducive policy environment for the development of steel sector in the country. The initiatives taken by the Government and their outcomes in terms of resource efficiency, energy conservation, reduction of greenhouse gas emissions are as under:-
- (i) Ministry of Steel has released the Taxonomy for Green Steel for defining and categorizing the low emission steel. During Financial Year 2025-26, 90 steel units have been awarded green steel certification under the notified Green Steel Taxonomy Framework.
- (ii) Four pilot projects have been awarded for implementation of pilot projects for use of hydrogen in steel sector under National Green Hydrogen Mission launched by Ministry of New & Renewable Energy.

(iii) National Solar Mission launched by Ministry of New and Renewable Energy in January, 2010 promotes the use of solar energy and also helps to reduce the emission of steel industry.

(iv) Ministry of Power has notified Carbon Credit Trading Scheme (CCTS) on 28.06.2023 for regulating Indian Carbon Market across various industrial sectors, which is also applicable to steel plants.

For competitiveness of domestic steel sector, the Government has launched the Production Linked Incentive (PLI) Scheme for Specialty Steel with a financial outlay of ₹ 6322 crore. The Scheme aims to enhance the competitiveness of the domestic steel industry by promoting investment and the domestic production of value-added specialty steel, reducing import dependence, and strengthening domestic manufacturing capabilities.
