End-of-Life Vehicles (ELV) Amendment Rules, 2026 – Easing the Scrappage Burden

Prelims: *Current events of National and International Importance | Environment and Economy*

Why in News?

The Environment Ministry notified the ***Environment Protection (End-of-Life Vehicles) Amendment Rules, 2026*** *on November 20, 2026, easing compliance for automakers.*

What is an End-of-Life Vehicle?

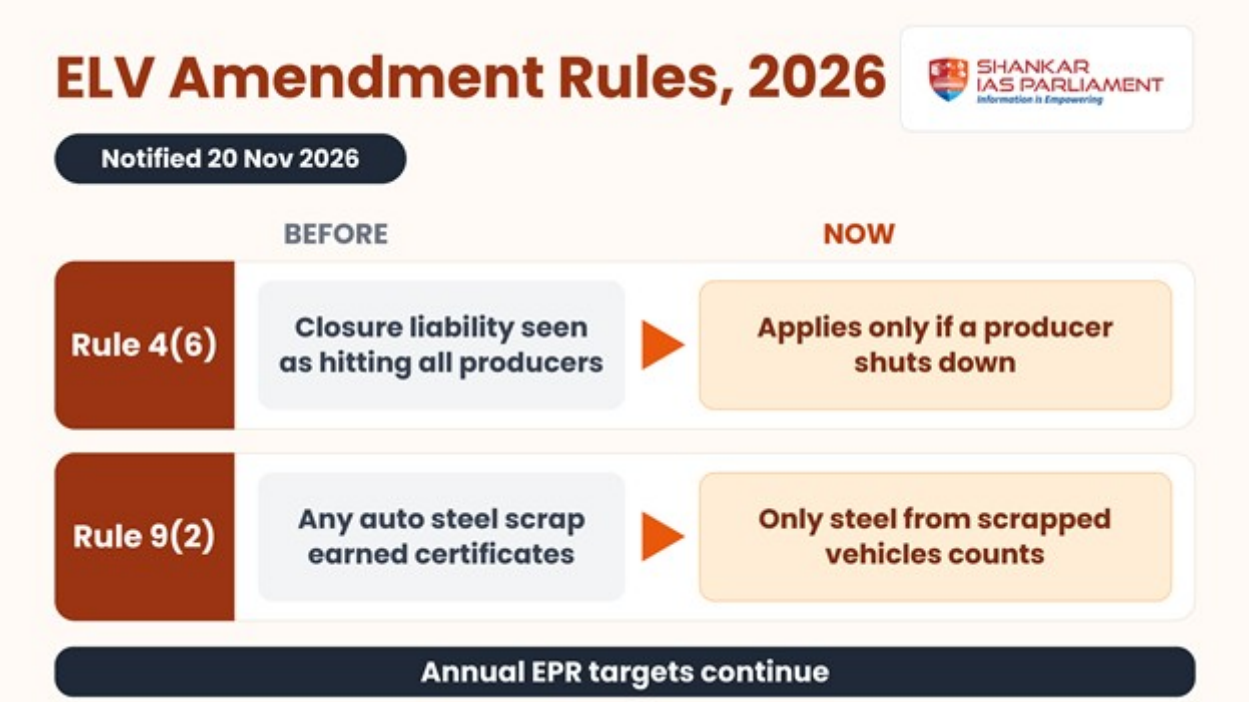
A vehicle that has reached the end of its useful life and must be scrapped in an environmentally sound manner. Producers' targets cover vehicles sold 15 years earlier (transport) and 20 years earlier (non-transport).

Legal Framework

- **Parent Act** – The Environment (Protection) Act, 1986, India's umbrella environmental law enacted after the Bhopal gas tragedy; it lets the Centre make rules to protect the environment.
- **Principal Rules** – The ***Environment Protection (End-of-Life Vehicles) Rules, 2025***, notified on January 6, 2025 and in force from April 1, 2025, based on ***Extended Producer Responsibility (EPR)***.
- **Mechanism** – From 2025-26, producers meet annual scrapping targets by buying EPR certificates from Registered Vehicle Scrapping Facilities (RVSFs), issued on the weight of steel recovered.

Need for Amendment

- **Liability fear** – Rule 4(6) made producers answerable for vehicles already sold if they stop operations, threatening a hit of about ₹25,000 crore on automakers' FY26 profits through accounting provisions.
- **Shortfall** – Automakers missed FY26 scrappage targets by about 70%, as old vehicles reaching scrapyards were scarce.
- **Loophole** – Rule 9(2) let "other steel scrap" from the auto sector earn certificates, weakening real vehicle scrapping.



What the Amendment Does

- **Rule 4(6)** – ***Closure-linked EPR*** applies only when a producer permanently ceases operations, not to continuing producers.
- **Rule 9(2)** – Only steel recovered from end-of-life vehicles at RVSFs earns certificates; other automobile steel scrap is excluded.
- **Unchanged** – Annual targets remain; certificates are bought through the CPCB portal.

Significance

- **Relief** – Ends balance-sheet uncertainty for automakers.
- **Circular economy** – Steers demand to genuine scrapping, steel recycling and registered facilities.
- **Challenge** – Limited availability of end-of-life vehicles persists.

Reference

Business Standard | Vehicle scrapping rules eased, automakers spared ₹25,000 crore burden

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