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Earlier this year, the Government of India introduced the vehicle scrapping policy with the primary aim to recycle the unfit and polluting vehicles in an eco-friendly manner. The policy states that vehicles over a certain age need to be taken off the roads in view to reduce pollution and enhance safety. It was stated that commercial vehicles of over 15 years and personal vehicles of over 20 years should be discarded irrespective of the fuel they consume or their ability to function. The creation of vehicle scrapping facility will also provide other benefits such as creating jobs, decrease in scrap import bills, crude oil, increase in sales of new cars and encouraging manufacturers to make safer and greener cars for sustainable development.

Recently the Government of Maharastra, through the Industries, Energy and Labour Department, has signed two Memorandum of Understanding for setting up of Registered Vehicle Scrapping facility (RSVF). One with the Mahindra Cero and another with Tata Motors to set up (RVSF) at multiple locations in the state.

Mahindra Cero is India's first government-authorized vehicle scrapping facility. It is a joint venture between the Mahindra group and the Metal Scrap Trade Corporation (MSTC), currently it has its branches in Chennai, Bangalore, Mumbai, Jaipur, Chandigarh, Greater Noida, Kolkata and Indore. The New vehicle scrapping facilities will be designed to recycle two and three-wheelers, both private/commercial complying with all the norms and guidelines laid by down by the Ministry of Road Transport & Highway and shall have a capacity of 40,000 vehicles to be scrapped annually. Mahindra plans to set up the vehicle scrapping facilities in four cities which are Mumbai, Nagpur, Aurangabad and Nashik.

Tata Motors also has signed an MoU with the Government of Maharastra for setting up an RSVF. Tata Motors plans to set up its facility along with a partner, which shall have a capacity of recycling 35,000 vehicles annually.

Both the MoUs were signed together at the Conference on Investment Opportunities in Highway, Transport and Logistics in Mumbai, which was being conducted in the presence of the Union Minister for Road Transport and Highway Shri Nitin Gadkari.

