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# Cabinet Clears ₹9,585-Crore Vehicle Replacement Scheme for Delhi-NCR

5 June 2026 ·

**ENVIRONMENT****REPORTS & SCHEMES****GS3****GS2**

CURATED &amp; WRITTEN BY

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# Cabinet Clears ₹9,585-Crore Vehicle Replacement Scheme for Delhi-NCR

5 June 2026 · 4 min read · ·

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## WHY IN NEWS

The **Union Cabinet**, chaired by the Prime Minister, approved a **₹9,585-crore Vehicle Replacement Scheme** for the **Delhi-National Capital Region (NCR)** on **June 3, 2026**. The two-year clean-mobility scheme incentivises owners of older commercial vehicles to replace **1.91 lakh trucks** and **16,329 buses** running on BS-IV or earlier emission norms with **BS-VI-compliant or electric vehicles (EVs)**, in a bid to cut the region’s chronic vehicular pollution.

## SCHEME AT A GLANCE

FEATURE	DETAIL
Total outlay	₹9,585 crore
Central share	₹5,041 crore
State tax concessions	~₹1,601 crore
Duration	2 years
Target — trucks	1.91 lakh
Target — buses	16,329
Vehicles to be replaced	BS-IV or older → BS-VI / EV
Participating States/UTs	Delhi, Haryana, Rajasthan, Uttar Pradesh

## Financing Structure

The scheme’s ₹9,585-crore outlay combines **₹5,041 crore of central funding** with around **₹1,601 crore in tax concessions** offered by the participating states — the remainder coming through fee waivers and incentive structures. Incentives for vehicle owners are expected to include interest subvention, fuel/charging vouchers, registration-fee waivers, and motor-vehicle-tax concessions.

## THE IMPLEMENTING ARCHITECTURE

A distinctive feature of this scheme is the **multi-ministry delivery model**:

ROLE	BODY
Funding channel	<b>National Capital Region Planning Board (NCRPB)</b> under the <b>Ministry of Housing and Urban Affairs (MoHUA)</b>
Implementation	<b>Ministry of Road Transport and Highways (MoRTH)</b> + <b>Ministry of Petroleum and Natural Gas (MoPNG)</b>

The **NCRPB** is a statutory body constituted under the **National Capital Region Planning Board Act, 1985**, mandated to coordinate planning across the four-state NCR. Routing the scheme through NCRPB reflects the **inter-state nature of the airshed** — Delhi’s air quality cannot be managed by Delhi alone, because pollution sources span Haryana, Rajasthan, and Uttar Pradesh.

## WHY TARGET COMMERCIAL VEHICLES?

Heavy and medium commercial vehicles (trucks and buses) are **disproportionate contributors** to vehicular pollution:

- Diesel trucks and buses emit high levels of **PM<sub>2.5</sub>** and **NO<sub>x</sub>** (oxides of nitrogen) — the most health-damaging pollutants
- Older BS-IV (and pre-BS-IV) vehicles lack the diesel particulate filters and selective catalytic reduction systems mandated under **BS-VI**, which took effect nationwide in **April 2020**
- Freight traffic transiting through Delhi’s airshed is a persistent year-round source, distinct from seasonal stubble burning

By accelerating the BS-IV-to-BS-VI/EV transition for these high-emitting categories, the scheme targets the **biggest per-vehicle reductions** in the airshed.

## HOW THIS FITS THE BROADER CLEAN-AIR FRAMEWORK

INSTRUMENT	ROLE
<b>CAQM</b> (Commission for Air Quality Management in NCR & Adjoining Areas)	Statutory body under the CAQM Act, 2021 — supersedes earlier bodies; coordinates NCR air-quality action
<b>GRAP</b> (Graded Response Action Plan)	Stage-wise emergency curbs triggered by AQI thresholds
<b>National Clean Air Programme (NCAP)</b>	Launched 2019; targets PM reduction across 100+ non-attainment cities
<b>Vehicle Scrappage Policy</b>	National framework (2021) for phasing out unfit vehicles via fitness/age criteria
<b>BS-VI norms</b>	Nationwide from April 2020

The new scheme operationalises, at fleet scale, the vehicle-renewal logic that the scrappage policy set out in principle — making it financially viable for fleet owners to retire polluting vehicles.

## UPSC RELEVANCE

### Prelims

- **Outlay:** ₹9,585 crore (Centre ₹5,041 crore + ~₹1,601 crore state tax concessions)
- **Targets:** 1.91 lakh trucks + 16,329 buses
- **Approved:** June 3, 2026 (Union Cabinet)
- **Funding channel:** NCRPB under MoHUA; implemented by MoRTH + MoPNG
- **States/UTs:** Delhi, Haryana, Rajasthan, Uttar Pradesh
- **CAQM:** statutory body under CAQM Act, 2021
- **BS-VI norms:** nationwide from April 2020

### Mains Angles

- 1 **GS3 — Air Pollution:** Vehicular emissions are a year-round, structural source of NCR pollution unlike seasonal stubble burning. Evaluate the targeting of commercial vehicles as a clean-air strategy.
- 2 **GS2 — Cooperative Federalism:** The scheme's NCRPB-led, four-state design illustrates airshed-based governance. Discuss the institutional case for managing pollution at the airshed rather than the state level.

- 3 **GS3 – Just Transition:** Assess the equity concerns for small fleet owners and informal transporters in mandatory vehicle-replacement schemes.

## FACTS CORNER

FACT	DETAIL
Scheme	Delhi-NCR Vehicle Replacement Scheme
Approved by	Union Cabinet, June 3, 2026
Total outlay	₹9,585 crore
Central share	₹5,041 crore
State tax concessions	~₹1,601 crore
Duration	2 years
Trucks targeted	1.91 lakh
Buses targeted	16,329
Replacement	BS-IV or older → BS-VI / EV
Funding channel	NCRPB (under MoHUA)
Implementing ministries	MoRTH + MoPNG
Participating States/UTs	Delhi, Haryana, Rajasthan, UP
NCRPB established under	NCR Planning Board Act, 1985
CAQM established	2021 (CAQM Act)
BS-VI nationwide from	April 2020

Sources: *Business Standard, PIB, The Hindu*

Source: Cabinet Clears ₹9,585-Crore Vehicle Replacement Scheme for Delhi-NCR — [Ujyari.com](http://Ujyari.com) | Free UPSC & State PCS Current Affairs

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