

Greener Future Through Litigation: A Step Toward Responsible Growth

A Publication by



RUPESH GUPTA
PARTNER



KRITIKA TUTEJA
PRINCIPAL ASSOCIATE



GAURANG RAWAT
ASSOCIATE

AAA Legal Newsletter
NEW DELHI, INDIA

INTRODUCTION

The Delhi High Court, in a recent ruling, set a crucial precedent in the context of electric mobility and property rights. The case involved the unlawful seizure of lithium-ion batteries by transport authorities, impounded along with unregistered electric rickshaws. Although the batteries were in use within the vehicles, they were leased separately under valid commercial agreements and remained the exclusive property of the petitioners.

The petitioners argued that detaining their assets without legal basis amounted to administrative overreach and threatened legitimate business models. The case raised important issues regarding the protection of private property, the limits of regulatory power, and the need for responsible handling of hazardous battery components under environmental law.

KEY POINTS ARGUED BY THE PETITIONER

The petitioners argued that the batteries, leased under independent agreements, were not part of the impounded vehicles and their ownership was clearly documented. Detaining them without legal backing violated property rights and risked mishandling hazardous materials. The proposed auction was deemed irrational and unlawful, forcing owners to buy back their own assets. Such action, they contended, undermined legal norms and eroded trust in legitimate business models.

RATIO DECIDENDI

The Court firmly held that ownership of modular components, like detachable batteries, cannot be nullified merely because they were used with impounded vehicles. It emphasized that such goods, when backed by clear documentation, must be treated separately under the law. The

proposal to compel rightful owners to bid for their own property in a public auction was dismissed as both irrational and contrary to constitutional principles. The Court also noted that the authorities had already segregated and preserved the batteries, effectively recognizing their independent ownership. While acknowledging regulatory lapses in supplying batteries to unregistered vehicles, the Court clarified that such infractions could not justify permanent deprivation of lawful property. It further stressed the environmental risks of improper battery disposal, reinforcing the need for responsible handling under established waste management norms.

IMPLICATIONS OF THE RULING

This judgment delivers a powerful message that lawful ownership cannot be undermined by administrative convenience. It provides critical clarity for industries dependent on modular and swappable technologies, particularly the electric vehicle sector. The ruling decisively affirms that the seizure of a composite system does not extend to independently owned parts, safeguarding established legal ownership. It decisively rejects the dangerous trend of bureaucratic

overreach that seeks to expropriate private assets through auctions. Moreover, the decision aligns with national imperatives to advance clean energy, battery leasing, and sustainable mobility. By fortifying legal certainty, this ruling enhances investor confidence and reinforces the commitment to environmental responsibility within the energy and transport sectors.

CONCLUSION

The Court's ruling¹ firmly defends constitutional property rights against arbitrary regulatory action, reaffirming that ownership must be respected and legal frameworks cannot be manipulated for administrative convenience. It sets a crucial precedent for resolving disputes over detachable, independently owned assets, particularly in emerging technology sectors. The judgment supports lawful enterprise, environmental responsibility, and commercial innovation. By defining the limits of state power, the ruling paves the way for a more balanced, rights-based approach to regulation in India's electric mobility sector.

¹ W.P. (C) 2354/2025