

Scrappage Policy and Impounding of Motor Vehicles in India

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ABSTRACT

Vehicle impoundment is one of the interventions in MV PICCS (Motor Vehicles Prioritizing Interventions and Cost Calculator for States), which involves taking drivers' licenses and cars from repetitive Driving While Impaired (DWI) offenders and keeping them in a storage facility. ¹ When the impoundment time is up, the offender can retrieve or surrender his or her car. ² The present research paper has been written to analyze and highlight the importance of a new impounding policy in the state of Delhi NCR, along with the legal challenges/ lacunas it faces. Research scholar has used doctrinal method with both primary and secondary data analyzed, followed by a qualitative approach. Primary data has been collected from the statute of the Motor Vehicles act and the Policy as implemented in the state of NCR Delhi, along with views of Hon'ble Supreme Court on said policy. In contrast, secondary data has been collected from online sources, blogs, research papers etc. The recent policy of State of NCR Delhi is consistently facing implementation and administrative issues because of a lack of parking resources and vehicle scrapping. Also, the scrapping act has created a hassle as while it is being planned to have a different policy for the rest of the nation, state governments prohibit petrol vehicles that are more than 15 years old and diesel vehicles that are more than 10 years old. This becomes a difficult scenario altogether for a common person hence, making the implementation questionable in courts.

Keywords: Impounding, Impounding of vehicles, Moto Vehicles Act, Delhi NCR, Impounding policy.

INTRODUCTION

Prime Minister unveiled the Vehicle Scrappage Policy on August 13, 2021. The legislation was implemented to help lessen the environmental impact of the transport sector's 14% contribution to India's overall air pollution levels from cars. The Policy mandates fitness examinations for privately owned and commercially used automobiles whose registration certificates have expired, despite the fact that scrapping vehicles will be optional. ³ Cars of any age that fail the "emission tests" must be confiscated and demolished. This

includes "commercial vehicles older than 15 years and personal vehicles older than 20 years". The said policy was at variance with the policy introduced in State of NCR Delhi wherein the State government decided to scrap vehicles that do not pass the test. This created chaos for the ones who purchase vehicles on 10 years of EMI and hence, cannot even resale it. The public of state challenged the said policy on non-equality grounds.

The Policy wants to develop countrywide scrapping facilities. The Government of India aims to create 450–500 "automated vehicle

fitness testing stations” in India under the “Voluntary Vehicle Fleet Modernisation Programme”, which would be administered by the public–private partnerships. Subject to failures the automobiles are not eligible for the renewal of their certifications, making them unfit to operate. Around 50–70 automobile scrapping facility (or registered vehicle scrapping facilities) are anticipated to be created to progress this strategy.^{4, 5}

In their research, **Mrs. Ruchira Dhatrak and Prof. T. Z. Quazi (2019)** analysed End-of-life vehicles in great detail (ELV). Their research indicates that ELV waste flow and recycling is an urgent problem for the planet. In order to formalise and organise the informal ELV recycling sector's workflow processes, they offered several suggestions to the government.⁶

According to a report⁷ in Auto Industry News, the Bombay High Court has ordered the Maharashtra government and Brihan Mumbai Municipal Corporation (BMC) to recover abandoned vehicles and prosecute those liable under the Motor Vehicles Act & Rule and the Maharashtra Police Act, and to wait three months to see if anybody claims the vehicles. If the driver shows up before the vehicle is demolished, they will be fined Rs. 15,000.⁸

After a bomb went off in nearby Bangalore, the Chennai Traffic Police had to seize a large number of abandoned automobiles in 2013. The Government Railway Police conducted a groundbreaking inventory of abandoned cars at the state's train terminals. The Chennai railway division (which comprises the cities of Chennai, Kancheepuram, and Tiruvallur, as well as the town of Arakkonam in Vellore) had 220 unclaimed motorbikes, while the cities of Coimbatore and Erode each had 60.⁹ The Madras High Court authorised the Railways to identify abandoned automobiles on their property, conduct an inquiry to determine

whether or not the vehicles were being used for criminal activity, and then dispose of the vehicles if they were not being used illegally within five months. A number of abandoned and impounded vehicles have been said to end up at police stations in Pune.¹⁰

Many cities, including Bangalore and Nagpur, have reported an increase in the number of abandoned automobiles. Ahmedabad is now leveraging social media to make it simple for people to report abandoned autos. The City Crime Branch has previously introduced a short message service (SMS) for reporting abandoned vehicles. More than 500 abandoned automobiles in the city were checked during the operation, with 151 of them being identified as stolen. According to a report in The Times of India, police stations around Chennai have been storing a massive pile of 1,949 confiscated two-wheelers that has been there for months, if not years¹¹, taking up valuable space that might be used by both officers and citizens who file complaints. The present paper aims to determine the legal challenges with respect to the vehicle impounding policy in State of NCR Delhi. The other corollary objectives are:-

1. To analyse the impact of impounding policy in State of NCR Delhi.
2. To study the impact of scrapping policy 2021 in State of NCR Delhi.
3. To highlight the negative impact of non-equal scrapping regulations for entire nation and national capital.

Methodology

The present study has followed doctrinal research methodology with qualitative approach. The study has been conducted by descriptive analyses of data collected and reaching necessary conclusions. Primary data such as case laws, statutes have been taken from bare acts, official website of courts while

secondary data has been collected from websites, blogs, journals etc. Qualitative analysis of data has been done using various sources and opinion of jurists.

Disposal of Impounded Vehicles in State of NCR Delhi- A ruckus among state and people

Delhi's own car scrappage standards, released in August 2018, require the compulsory scrapping of all gasoline and diesel vehicles older than 15 years. While the national scrappage plan allows for obsolete cars to be re-registered and utilised after a necessary fitness exam and the payment of extra fees and taxes, the overall policy restricts the lifetime of government and commercial vehicles to 15 years and private vehicles to 20 years.¹² A major source of confusion arises from the fact that the national scrappage scheme only differentiates between private and commercial vehicles to determine the age for re-registration, post-fitness test, and the scrappage guidelines in Delhi NCR depend on the fuel type and fixed shelf life of the vehicle type. The "National Green Tribunal (NGT)" issued an order in 2015 prohibiting the use of diesel vehicles older than 10 years and gasoline vehicles older than 15 years from operating in the NCR. This ruling was upheld by the Supreme Court in 2018.¹³ As a result, Delhi NCR will keep operating in accordance with the 2018 Supreme Court ruling even after the scrappage programme goes into force. As a result, the scrappage plan cannot become operational in the area unless the Supreme Court and the NGT issue separate instructions either allowing for the scrappage scheme to coexist with the existing ruling or simply revoking its orders.¹⁴

Paramount hurdles in implementation of impounding and scrapping policies

The creation of the infrastructure needed to propel a circular economy is the main obstacle

to its introduction. Since the implementation of this Policy will be staggered between 2022 and 2024, the next two years are crucial for making the necessary investments in establishing a reliable and up-to-date foundation for the policy's eventual full implementation. Also, the Policy's plan to provide states discounts of up to 25% on road fees poses a serious threat to cooperative federalism.¹⁵ Finally, the Policy's contribution to a Circular Economy (CE) strategy may be obscured by its silence on the topic of how discarded vehicles are to be repurposed in the domestic sector. India will make significant progress toward earning a CE if these nitpicks can be resolved. Although the Vehicle Scrappage Policy is a necessary starting step, it is only concerned with the last stage of the value chain. There is still a long way to go before the automotive industry has fully integrated CE practises throughout the entire value chain, from product design and development to the sourcing of raw materials to the production of components to the management of waste to the installation of remanufactured parts to the provision of after-sale services and recycling. Then, and only then, can we try to mitigate some of climate change's negative consequences.¹⁶

CONCLUSION

Some connections may be noticed between foreign circularity techniques in the automobile sector and India's Vehicle Scrappage Policy. To begin, the Policy will improve fuel efficiency and decrease harmful emissions by reducing the number of unfit vehicles on the road. According to an editorial published in Forbes India, removing a truck or bus from service that is less than 10 years old and replacing it with a newer model could reduce particulate matter (PM) emissions by 28 percent, HC+NO_x (hydrocarbons and nitrogen oxide) emissions by 18 percent, and carbon dioxide emissions by 17 percent.¹⁷

Second, there will be substantial environmental and economic advantages to recycling and reusing car waste as part of enforcing the “Vehicle Scrappage Policy”. There will be further downstream economic advantages from the Policy since it will necessitate the establishment of “automated fitness centres” and authorised scrappage centres around the nation. As a matter of fact, Greater Noida was home to the world's first fully automated and government-approved car scrapping and recycling factory. To re-roll steel, batteries, electronics, engine components, and other metals for use in India's manufacturing sector, Mahindra & Mahindra and MSTC (a government-owned corporation) built this plant.¹⁸

Third, the Policy is expected to promote recycling, lower pollution levels, provide new employment opportunities, and discourage wasteful behaviours related to scrapping vehicles and their components. Scrap metal costs may be reduced by importing less steel, aluminium, and copper, which can be offset by the proceeds from recycling old cars.¹⁹

CHALLENGES

As discussed above, the legal provisions and policy as devised for Delhi NCR has not been implemented effectively till now due to the strongest reason of it being found discriminatory as to the rule imposed on other States across India. Also the Hon'ble Apex Court has put the scrapping policy on stay and only regarded the scrapping of those vehicles which are found to cause high level pollution in Nation. Other states of country are also planning to oppose such policy. The biggest reason to this being that with increasing needs and inflation, it is very difficult for a family which takes 10 years to get rid away of the EMIs of their cars to replace it within 15 years. Also it is a red signal for all those who rely on 2nd hand owner vehicles. Scrap will not give any value to vehicles. For a successful

implementation, government first has to come up with pocket friendly vehicles with great facilities and a proper area wherein scrapping and disposal could take place.

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