BEFORE THE MADURAI BENGH OF MADRAS HIGH COURT

DATED: 28.01.2026

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THE HONOURABLE MR. JUSTICE KRISHNAN RAMASAMY

W.P.(MD)No.29953 of 2025
and
W.M.P.(MD).No.23171 of 2025

Karthikeyan Natarajan ... Petitioner

Vs

1.State of Tamil Nadu,
Represented by its Transport Secretary,
Department of Transport,
Fort St.George, Chennai-600 009.

2.The Regional Transport Officer,
Regional Transport Office (RTO),
Trichy West,
Trichy to Dindigul Main Road,
Pirattiyur,
Trichy-620 009. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Certiorarified Mandamus, calling for the records of the second respondent dated 25.09.2025 bearing Application No.TN25092562497813 and quash the same in respect of demand of MV Tax and consequently direct the second respondent to re-register the Light Motor Vehicle (Car) bearing Registration No.HR51BP0201, Chassis No.WBAHU1707H5D76678, Engine No.0211Y111 and complete the transfer of ownership in favour of the petitioner.

For Petitioner : Mr.R.Murali

For Respondents : Mr.A.Oliraja,
Government Advocate

ORDER

This Writ Petition has been filed challenging the proceedings of the second respondent dated 25.09.2025 bearing Application No.TN25092562497813, insofar as it relates to the demand of Motor Vehicle Tax, and to quash the same. Consequently, the petitioner seeks a direction to the second respondent to re-register the Light Motor Vehicle (Car) bearing Registration No.HR51BP0201, Chassis No.WBAHU1707H5D76678 and Engine No.0211Y111, and to complete the transfer of ownership in favour of the petitioner.

2. The learned counsel appearing for the petitioner would submit that the petitioner purchased a BMW X1 SDrive 20d model car from the second owner, one Mohit Soni, on 24.08.2025 for a sale consideration of Rs.9,15,000/-. The vehicle was originally purchased on 29.03.2017 by M/s.Arkin Rubbers Private Limited and was registered with the Registering Authority, Faridabad, State of Haryana, where lifetime road tax had already been paid at the time of initial registration. Subsequently, the said company sold the vehicle to Mohit Soni during the year 2023.

2.(i). The petitioner paid the entire sale consideration through online mode and obtained valid receipts. In order to use the vehicle in the State of Tamil Nadu, the petitioner applied for re-registration and transfer of ownership through the online portal, as required under the Motor Vehicles Act and the Rules made thereunder. The petitioner enclosed the No Objection Certificate issued by the Faridabad Road Transport Officer and also obtained police clearance.

2.(ii). It is further submitted that the showroom price of the vehicle at the time of original purchase was Rs.28,37,074/-. However, the VAHAN Online Portal reflects the value of the vehicle as Rs.35,94,439/-, resulting in an artificial difference of Rs.7,57,365/-. Based on this inflated value, the second respondent demanded Motor Vehicle Tax of Rs.6,02,069/- under the Tamil Nadu Motor Vehicles Taxation Act, 1974.

2.(iii). The learned counsel would contend that the vehicle had already suffered lifetime tax in the State of Haryana and that the petitioner is willing to pay all applicable fees and charges except the excessive Motor Vehicle Tax demanded. According to the petitioner, fixing the value of the vehicle at Rs.35,94,439/- without any material basis is arbitrary and illegal.

3. The learned Government Advocate appearing for the respondents would submit that by virtue of the amendment introduced with effect from 07.11.2023, Section 2(1-A) of the Tamil Nadu Motor Vehicles Taxation Act, 1974 defines the “cost of the vehicle” and that the tax is required to be calculated in accordance with Part II of the Third Schedule. It is further submitted that concessions are provided only based on the nature and age of the vehicle, and the valuation has been carried out strictly in accordance with the statute.

4. In reply, the learned counsel for the petitioner would fairly submit that the cost of the vehicle for the purpose of levy of tax may be taken as the original invoice value of Rs.28,37,074/-, as issued at the time of first purchase of the vehicle in the year 2017. It is contended that under Section 2(1-A) of the Act, the “cost of the vehicle” refers to the price paid at the time of purchase as evidenced by the invoice issued by the authorised dealer or manufacturer. Since the vehicle was purchased within the country, the invoice value alone ought to be taken into consideration.

5. This Court has considered the submissions made on either side and perused the materials available on record.

6. Section 2(1-A) of the Tamil Nadu Motor Vehicles Taxation Act, 1974 clearly defines the "cost of the vehicle" as the total price paid at the time of purchase as evidenced by the invoice issued by the authorised dealer or manufacturer. Taxes such as GST are excluded from the said cost.

7. In the present case, the original invoice value of the vehicle is Rs.28,37,074/-. Therefore, the fixation of the value of the vehicle at Rs. 35,94,439/- by the respondents is not supported by any statutory basis. Consequently, the impugned demand of Motor Vehicle Tax requires reconsideration.

8. Accordingly, the impugned proceedings dated 25.09.2025 are set aside and the matter is remanded to the second respondent for fresh consideration. The second respondent is directed to take the cost of the vehicle as Rs.28,37,074/- and levy Motor Vehicle Tax in accordance with

Part II of the Third Schedule to the Tamil Nadu Motor Vehicles Taxation Act, 1974 at the rate of 16.75%. The entire exercise shall be completed within a period of four weeks from the date of receipt of a copy of this order.

9. Accordingly, this Writ Petition stands disposed of. No costs. Consequently, the connected miscellaneous petition is closed.

28.01.2026

Index : Yes/No
Internet: Yes/No
Neutral Citation: Yes/No
TSG
To
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Department of Transport,
Fort St.George, Chennai-600 009.

2.The Regional Transport Officer,
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Trichy to Dindigul Main Road,
Pirattiyur,
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KRISHNAN RAMASAMY, J.

TSG

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