[3300]

IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD
(Special Original Jurisdiction)

MONDAY, THE TWENTY FIRST DAY OF APRIL
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE SRI JUSTICE NAGESH BHEEMAPAKA

WRIT PETITION NO: 1361 OF 2023

Between:

Sri. Vattikuti. Abbaiah, S/o. Late Sri Vattikuti Sri Ramulu, Aged about 56 years, Occ Business, R/ H.No.8-3-678/18, Pragathi Nagar, Yousufguda, Hyderabad-500045

...PETITIONER

AND

1. The State of Telangana, By its Principal Secretary, Transport Department, Secretariat Buildings, Hyderabad Telangana State
2. The Regional Transport Authority, Central Zone, Khairatabad, Hyderabad

...RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue an appropriate Writ, Order or Direction, More particularly one in the nature of Writ of Mandamus declaring the action of the Respondent No 2 in imposing life tax on petitioners vehicle bearing No. DL1CQ4638 Model - 730LD , BMW, Black color having chassis No. WBAYG47090DZ29024 and Engine No. 31098571 is illegal and arbitrary and unconstitutional and against the orders passed in WP NO. 6978/2015 dated 18-03-2015 . and consequently direct the 2nd respondent to effect transfer of vehicle DL1CQ4638 Modal - 730LD , BMW, Black color having chassis No. WBAYG47090DZ29024 and Engine No. 31098571 on petitioners name.

IA NO: 1 OF 2023

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to grant interim directions to the respondent No. 2 to effect transfer of owner ship of petitioner's vehicle bearing No. DL1CQ4638 Modal -730LD , BMW, Black color having chassis No. WBAYG47090DZ29024 and Engine No. 31098571 from Quest Experiential Services Ltd to petitioner's name by without demanding life tax again to the same pending disposal of the above W.P.

Counsel for the Petitioner : SRI L.V.RAMANA RAO

Counsel for the Respondents: GP FOR TRANSPORT

The Court made the following: ORDER

HON'BLE SRI JUSTICE NAGESH BHEEMAPAKA

WRIT PETITION No. 1361 OF 2023

ORDER:

Petitioner is stated to have purchased a Black BMW 730LD, 2013 model, bearing registration No. DL 1CQ 4638, for Rs. 9,75,000/- from Quest Experiential Services Ltd. through Kunj Motors in Delhi as reflected in the invoice dated 22-08-2022. Original cost of the vehicle, as per the invoice dated 26-11-2013, was Rs. 92,50,000/-. According to him, one-time tax (OTT) amounting to Rs. 12,48,687/- had already been paid for the vehicle at the time of its purchase in Delhi, valid for the lifetime of the vehicle as per the applicable rules. Upon bringing the vehicle to Hyderabad in September 2022, he is stated to have approached the 2nd respondent with all mandatory documents to effect transfer of ownership. Despite his willingness to pay the requisite charges, the 2nd respondent demanded Rs. 14,91,150/-. This amount was calculated as 15.5% road tax on the original invoice price of Rs. 92,50,000/-, along with 4% transfer charges.

It is contended, respondent's demand for road tax on the original invoice price is arbitrary, illegal, and without authority, as the vehicle is already 10-year-old and has significantly depreciated in value. Imposition of life tax on the old vehicle contradicts the provisions of Section 47(4) of the Motor Vehicles Act, 1988, which does not empower the respondents to levy life tax on a previously taxed vehicle. Furthermore, Rule 96 of the Andhra Pradesh Motor Vehicles Rules, 1989, also does not authorize such tax imposition.

2. Learned counsel for petitioner Sri L.V. Ramana Rao submits that this Court, in Writ Petition No. 6978 of 2015 *vide* order dated 18-03-2015, declared such demands as illegal. Therefore, a direction is sought to the 2nd respondent to transfer the ownership of vehicle to petitioner without demanding life tax or any additional tax.

3. The case of the 2nd respondent, as submitted by learned Government Pleader for Transport, is that sale consideration for the nine-year-old vehicle, originally registered on 26-11-2013, cannot override the invoice price, which forms the basis for life tax calculation. This follows column No. 6 of the Sixth Schedule of G.O.Ms. No. 22, dated 07-05-2022, which mandates tax levied on the cost of the vehicle as per the invoice, adjusted for the vehicle's age. It is submitted that motor vehicle

taxes are State taxes governed independently under the respective State Legislations. Taxes paid in Delhi, even if termed as one-time tax (OTT), do not exempt liability for taxes under Telangana's jurisdiction. Under Section 3 of the TSMVT Act, 1963, tax is levied on every motor vehicle used or kept for use in the State. Hence, petitioner may seek refund from Delhi authorities for the unutilized OTT period, but the liability to pay life tax in Telangana remains. The respondent clarifies that the stipulated tax must be paid upon issuance of NOC and entry of the vehicle into Telangana.

Learned Government Pleader clarified that all non-transport category vehicles, including motor cars and jeeps, entering Telangana by address change or ownership transfer, are subject to life tax as per Schedule VI of G.O.Ms.No. 22. The invoice price of Rs.92.50 lacs and vehicle's age exceeding eight years was considered, along with a penalty of 1% per month on the tax as per Rule 13 of the 1963 Rules. Petitioner's contention that 4% transfer charges were imposed is refuted. It is submitted that this was a penalty of 1% per month on the payable life tax from the date of 'NOC' issuance. The penalty is mandated under Rule 13, item No. 4 of the TSMVT Rules, 1964.

Learned Government Pleader submits that the order in Writ Petition No. 6978 of 2015 is not applicable as the said order pertains to absence of explicit legal provisions in the impugned order of that case, which is not analogous to the present situation. Similarly, references to judgments in W.P. No. 17038 of 2014 and W.A. No. 805 of 2018 are addressed, with the respondent explaining the distinction between disputes over vehicle seizure for alleged continuous operation in Telangana and the current case involving ownership transfer and tax liability.

According to learned Government Pleader, Transport Commissioner's Circular Memo dated 03-12-2019, mandates tax collection based on invoice price. This is supported by this Court in Writ Appeal No. 805 of 2018 *vide* judgment dated 02-05-2018. Further reliance is placed on the judgment in ***State of Karnataka v. K.G. Shenoy,*** where the Hon'ble Supreme Court upheld a similar levy of tax under analogous state laws. He submits that petitioner's argument that the Motor Vehicles Act, 1988, particularly Section 47, prohibits re-imposition of life tax is not correct, for, the Motor Vehicles Act governs vehicle registration, while the TSMVT Act governs tax levies, operating independently. As per the Sixth Schedule to G.O.Ms. No. 22, life tax is collectible from all the vehicles used or kept for use in Telangana and petitioner's vehicle, having entered the State and sought ownership transfer, is subject to these tax provisions. In view of the same, there is no irregularity in imposition of life tax and penalty as per Section 3 of the TSMVT Act, 1963, the Sixth Schedule of G.O.Ms. No. 22, and Rule 13 of the TSMVT Rules, 1963. The petitioner's vehicle cannot be permitted to operate in Telangana until the due taxes and penalties are paid.

4. The primary issue in this case revolves around the question as to whether the demand for life tax imposed by the 2nd respondent under the Telangana State Motor Vehicle Taxation Act, 1963 is valid and lawful when tax was paid on the subject vehicle in another state (Delhi). While petitioner contends that such levy of additional tax is unjustified, respondents argue that the same is in accordance with State laws and applicable G.O.Ms. No. 22 dated 07-05-2022.

5. Section 3 of the 1963 Act, unequivocally, empowers the State Government to levy taxes on motor vehicles used or kept for use within the State. Petitioner's liability arises from the

act of transferring the vehicle to Telangana and seeking its registration in the State. G.O.Ms. No. 22, dated 07-05-2022, explicitly mandates tax calculations based on the vehicle's invoice price, with reductions for age. The Sixth Schedule stipulates that three or four wheeler motor vehicles including motor cars, jeeps coming under non-transport category, omnibuses up to a seating capacity of ten persons in all and new motor cabs and the motor cabs of other states, that are entering into the rolls of the State by way of change of address or transfer of ownership, the tax is levied at the rates prescribed therein on the cost of the vehicle. In accordance therewith, since petitioner's vehicle was purchased more than nine years back but not more than ten years by the time it was brought to Hyderabad in September 2022, and its cost exceeds Rs.20 lacs, tax should be levied at 18% on the cost of the vehicle. The cases cited by petitioner, such as Writ Petition No. 6978 of 2015 involved scenarios where vehicles were temporarily present in a state. In contrast, the present case involves a permanent transfer of vehicle's registration, triggering application of Telangana's taxation rules.

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6. In ***K.G. Shenoy's case*** (supra), it was held by the Hon'ble Supreme Court while dealing with Section 3(1) of the Karnataka State Act that it confers right upon the State to levy tax on all motor vehicles which are suitably designed for use on roads at prescribed rates without reference to the road worthy condition of the vehicle or otherwise. It was further clearly pointed out in the said judgment that the charging section of the Taxation Act has to be construed on its own terms and not with reference to the provisions contained in the Motor vehicles Act. Further, in Writ Petition No. 17038 of 2014, by order dated 10.07.2014, this Court held that motor vehicles which are registered in some other State but entering into the State for purposes of entering of rolls of that State by way of change of address or transfer of ownership alone are required to suffer the tax specified in Sixth schedule. In view of the same, since petitioner seeks transfer of vehicle in his name, the vehicle should suffer tax as specified in the Sixth Schedule. This Court therefore, cannot grant the relief sought by petitioner in this Writ Petition.

7. The Writ Petition is accordingly, dismissed. No costs.

8. Consequently, the miscellaneous Applications, if any shall stand closed.

SD/- A. SRINIVASA REDDY
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Principal Secretary, Transport Department, Secretariat Buildings, Hyderabad State of Telangana, Telangana State
2. The Regional Transport Authority, Central Zone, Khairatabad, Hyderabad
3. One CC to SRI L.V.RAMANA RAO, Advocate. [OPUC]
4. Two CCs to GP FOR TRANSPORT, High Court for the State of Telangana. [OUT]
5. Two CD Copies.

BSK

GJP

HIGH COURT

DATED:21/04/2025

ORDER

WP.No.1361 of 2023

DISMISSING THE WRIT PETITION
WITHOUT COSTS