IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 29-04-2026

CORAM

THE HON'BLE DR JUSTICE G. JAYACHANDRAN

AND

THE HON'BLE MR.JUSTICE SHAMIM AHMED

WA No. 192 of 2026

V.Krishnamurthy,
Proprietor,
Aviation Express,
No.66/142, Eldams Road,
Teynampet, Chennai 600 018

..Appellant(s)

Vs

1. The State of Tamil Nadu
   Rep. by its Principal Secretary to Government,
   Home (Tr.1) Department,
   Secretariat,
   Chennai -600 009.

2. The Transport Commissioner,
   Ezhilagam,
   Chepauk,
   Chennai - 600 005

3. The Regional Transport Officer,
   Regional Transport office, Chennai South,
   Thiruvanmiyur, Chennai - 600 041

..Respondent(s)

Writ Appeal filed under Clause 15 of the Letters Patent, praying to set aside the Order dated 01.08.2025 passed in W.P. No. 36444 of 2023 on the file of this Court.

For Appellant(s): M/s.G.R.Associates
Niranjan Rajagopalan

Indrajith S
Ragesh Bhagavath L
Avanticka B

For Respondent(s): M/s.V.Ravi
Special Government Pleader

ORDER

(Order of the Court was made by Dr.G.Jayachandran J.)

The appellant, who is the Proprietor of Aviation Express and owner of 102 Maxi Cab vehicles, is aggrieved by the amendment made to the Motor Vehicle Taxation Act, 1974, modifying the mode of payment of road tax from quarterly to life time, and has challenged the amendment, dated 06.11.2023 in his Writ Petition seeking amendment directing the respondents to accept the quarterly tax payment in respect of the vehicle, pending from the amendment of route and publication of it, as contemplated under the statute.

2. The respondents/State has contended that under Section 3 of the Tamil Nadu Motor Vehicles Act, the Government of Tamil Nadu is empowered to enhance or revise the tax structure for the particular clause in respect of the vehicles.

3. Insofar as the Maxi Cab vehicle is concerned, the Government has thought it fit to modify the tax structure and the mode of payment from quarterly to life time tax and had also given an option to the vehicle-owners to pay the life time

tax in four instalments. For the said purpose of modification or alteration of the tax structure, the amendment to the Rule and publication, is not required.

4. The said contention of the Government is upheld by the learned Single Judge, and hence, the present intra Court appeal is filed by the writ petitioner.

5. The learned Senior Counsel appearing for the appellant submitted that, in view of the amendment to the Motor Vehicle Taxation Act, nearly 100 vehicles owned by the appellant, are now in the shed. The authorities have refused to accept the quarterly tax offered by the vehicle owner and for most of the vehicles, the Fitness Certificate will be issued by the Regional Transport Officer (RTO), had expired.

6. The State cannot modify or amend the Taxation Rules arbitrarily without following the due process. In this case, due to the arbitrary exercise of power, the appellant's right to trade, has come to a stand-still.

7. The learned Senior Counsel appearing for the appellant/writ petitioner further submitted that as a pre-condition for stay, the appellant has already deposited Rs.10 lakhs as against the demand of Rs.75 lakhs towards the life time tax for the vehicle as per the impugned amendment.

8. This Court heard the submissions of both sides and also perused the status report from the Government regarding the sustainability of the demand of the life tax, without proper amendment and publication.

9. As per the status report filed by the RTO, dated 27.4.2026, out of 584 valid Maxi permits issued by the RTO, Chenani-South, except for 158 vehicles, the owners of the other vehicles have already adopted the tax structure and have paid the entire life time tax/part of instalments. Out of the owners of the 158 vehicles, except the appellant/writ petitioner, none of them have challenged the amendment for the fee structure.

10. Taking note of the fact that the majority of the vehicle owners had accepted the modified tax structure, and as regards certain inherent infirmity in the said amendment, the same is canvassed by the appellant.

11. In the above said circumstances, we find that, in the proceedings of the Transport Commissioner and Commissioner for Road Safety, in R.No.47986/A4/2018, dated 16.11.2023, the following order had been passed:

> "Sub: Motor Vehicles – Transport Department – Extension of time to pay the correct Quarterly Tax up to 30.11.2023 and time limit to opt for payment Life Time Tax in respect of Tourist Maxi Cab Vehicles up to 30.11.2023 and to pay the Lifetime Tax in 4 equal instalments – Issue of Orders – Regarding.

Ref: Govt. Lr.(Ms).No.578, Dated 16.11.2023.

ORDER:

The Government has recently revised the tax rates for certain categories of vehicles covered in all 10 Schedules. In this connection, representations were received to give extension of time for Transport Vehicles and for giving instalment-based payment system for Lifetime Tax for Maxi cabs. The same was considered by the Government and appropriate orders were obtained for the same, as per the cited reference.

Accordingly, the following order is issued:

a) In respect of Transport Vehicles (except Omni Buses) the last date for payment of current quarterly tax i.e., for the Q.E 31.12.2023 without penalty is extended up to 30.11.2023 instead of 14.11.2023.

It is applicable only for the tax payable for the quarter ending 31.12.2023.

In case of payment of arrears of tax, the existing penalty rates shall be followed as per Rule 8 of Tamil Nadu Motor Vehicles Taxation Rules, 1974.

b) In respect of maxi cab vehicles specified in Part II of the Eighth Schedule after getting an understanding by way of an affidavit from the owner of the vehicle on or before 30th day of November' 2023, they are allowed to pay the tax in the following manner:

i) In one lump sum (or)

ii) In four equal annual instalments as follows:

Instalment	***Has to be paid on or before***

First instalment	30.11.2023
Second instalment	30.11.2024
Third instalment	30.11.2025
Fourth instalment	30.11.2026

The payment of tax by the above 4 instalment may be allowed subject to the following conditions:-

> The Vehicle should not be sold without the payment of entire pending Lifetime Tax,

> The Permit should not be surrendered without the payment of entire pending Lifetime Tax.

> In case of old vehicles wherein the original invoice could not be produced by the vehicle owner, concerned RTO shall ascertain the original cost of the vehicle with the manufacturer / dealer OR with the original invoice available with the Registration disposal files in the Office. Utmost care shall be taken to arrest any revenue loss to the Government.

> A special Register shall be opened and maintained for this purpose.

2. This order comes into force with immediate effect."

12. We are of the opinion that, apart from the alleged legal infirmity and the procedural violations, we also find that the proceedings of the Transport Commissioner (extracted above), restrain the vehicle owners from transferring the vehicle or surrender the permit without payment of the entire pending Lifetime Tax. The said restriction has to be tested as to whether it will satisfy the Constitutional mandate of reasonable restriction of Trade and Commerce.

13. Therefore, pending disposal of the present Writ Appeal, the State shall collect the quarterly tax from the appellant/writ petitioner and on payment of the quarterly tax payable as on date, the Transport Authority shall examine the vehicle and give the Fitness Certificate. For those vehicles, the quarterly tax has to be paid upto date.

14. The appellant/writ petitioner is also permitted to transfer the vehicle to third parties, subject to the outcome of the present Writ Appeal.

15. A sum of Rs.10 lakhs, deposited as a condition imposed by this Court, the same shall be adjusted towards the arrears of quarterly tax in respect of the vehicles.

16. We make it clear that, only on payment of the quarterly tax as per the old tax structure, paid up-to-date, the process of Fitness Certificate and issuance of other relevant Certificates, and the right to alienate will accrue to the appellant.

17. List this Writ Appeal on 11.06.2026 in the caption "for further hearing".

(G.J.,J.) (S.S.A.,J.)
29-04-2026

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To

1. The State of Tamil Nadu
   Rep. by its Principal Secretary to Government,
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   Secretariat,
   Chennai -600 009.

2. The Transport Commissioner,
   Ezhilagam,
   Chepauk,
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3. The Regional Transport Officer,
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   Thiruvanmiyur, Chennai - 600 041

DR.G.JAYACHANDRAN, J.
AND
SHAMIM AHMED, J.

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