

RAJASTHAN HIGH COURT

सत्यमेव जयते

HIGH COURT OF JUDICATURE FOR RAJASTHAN
AT JODHPUR

D.B. Civil Writ Petition No. 9996/2026
CNR: RJHC010443552026 | URN: CW / 18267U / 2026

Prakash Chandra S/o Magna Ram, Aged about 41 years,
Resident of Vishnu Nagar, Surani, Tehsil Balesar, District Jodhpur,
Rajasthan. (Registered Owner Of Vehicle No. RJ19-GF-3736)

-----Petitioner

Versus

1. State Of Rajasthan through its Secretary, Transport Department, Jaipur.
2. Transport Commissioner, Rajasthan, Jaipur
3. The Regional Transport Officer, Jodhpur
4. The District Transport Officer, Karadhan Adhikari, Jodhpur.

-----Respondents

For Petitioner(s)	:	Mr. Hapu Ram.
For Respondent(s)	:	Mr. Deepak Chandak, AAAG a/w Ms. Sulochana Bishnoi on behalf of Mr. B.L. Bhati, AAG.

HON'BLE MR. JUSTICE MUNNURI LAXMAN
HON'BLE MR. JUSTICE ANUROOP SINGHI

Order

30/07/2026

1. The present writ petition has been filed challenging the demand notice dated 17.03.2026, issued by the respondent No.4 – District Transport Officer (Karadhan Adhikari), Jodhpur whereunder, a demand of Rs. 5,88,155/- was raised towards motor vehicle tax and penalty against the petitioner in respect of vehicle bearing Registration No. RJ-19 GF-3736 for a period from 13.01.2019 to 15.12.2025 during which vehicle remained seized and remained in police custody in connection with offences under the provisions of NDPS Act.

2. The undisputed facts disclose that the petitioner is the owner of the vehicle bearing registration No. RJ-19 GF-3736 and the vehicle was seized by the Police on 13.01.2019 in connection with FIR No. 17/2019, registered at Police Station Sanchore, District Jalore, for the offences under Sections 8/15 and 25 of the NDPS Act. The said vehicle remained in the custody of the police from 13.01.2019 to 12.12.2025. The petitioner filed an application before the Special Judge, NDPS Cases, Sanchore, District Jalore for release of the vehicle and the said vehicle was released on 15.12.2025. The claim of the petitioner for exemption from payment of tax during the aforesaid period from 13.01.2019 to 12.12.2025 was rejected by the respondent No.4 vide order dated 17.03.2026 and consequently, on the very same day, the respondent No.4 issued a demand notice which is under challenge.

3. The said facts were not disputed by the respondents.

4. Heard learned counsel for both the parties and perused the material available on record.

5. The contention of the learned counsel appearing for the petitioner is that as per Section 4(2) of the Rajasthan Motor Vehicles Taxation Act, 1951 (hereinafter referred to as 'the Act of 1951') read with Rule 25-AA of the Rajasthan Motor Vehicles Taxation Rules, 1951 (hereinafter referred to as 'the Rules of 1951'), the petitioner is entitled to exemption from payment of tax on account of non-use of the said vehicle due to its seizure by the Police under the provisions of the NDPS Act. It is also his contention that his case falls under Section 4(2)(i) of the Act of 1951 read with Rule 25-AA (1) of the Rules of 1951. In support of his contentions, he has relied upon the Full Bench Judgment

rendered by the Kerala High Court in the case of **Jomon M. Arackal Vs. The Tehsildar & Ors.** reported in **2014 SCC Online Ker 27554** and he has also relied upon the judgment of Hon'ble Apex Court in the case of **Tarachand Logistic Solutions Limited Vs. State of Andhra Pradesh & Ors.** reported in **2025 SCC OnLine SC 1851**.

6. The learned Government Counsel appearing for the respondents-State submits that the petitioner has not challenged the order whereunder, his claim for exemption from payment of tax, was rejected. He has challenged only the impugned demand notice which is a consequential order. It is also his submission that on examining the merits of the order of rejection, there is no illegality in passing the order and the said order was passed by the competent authority in terms of the prevailing provisions contained in the Act of 1951 as well as the Rules of 1951. It is also his contention that the case of the petitioner does not fall under Section 4(2)(i) of the Act of 1951 and Rule 25-AA (1) of the Rules of 1951. It is also his submission that the aforesaid vehicle was involved in a criminal offence which is not even a circumstance for claiming exemption as provided under the Act of 1951 or the Rules of 1951. It is also his submission that the judgments relied upon by the learned counsel appearing for the petitioner were delivered in a different legislative background and on a different set of facts and circumstances which are not applicable to the facts of the present case.

7. In order to examine the merits of the present case, this Court feels that it is appropriate to refer to **Section 4** of the Act of

1951 and Rule **25-AA (1)** of the Rules of 1951 which read as follows:-

" Rajasthan Motor Vehicles Taxation Act, 1951

Section 4. Imposition of tax.-

(1) Save as otherwise provided by this Act or by the Rules made thereunder or any other law for the time being in force, there shall be levied and collected on all motor vehicles used or kept for use in the State,-

(a) a tax in respect of such vehicles which are not covered by clause (b), (c), (cc) and (d) at such rates as may be specified by the State Government by notification in the Official Gazette which shall not exceed Rs. 2000/- per thousand Kg. of Gross Vehicle Weight or part thereof per year for goods vehicles and Rs. 2000/- per seat per month for passenger vehicles of this State:

Provided that where the rates are not specified, on quarterly, half yearly or monthly basis, by the State Government, by notification in the Official Gazette and if the tax is permissible to be paid quarterly, half yearly or monthly, the amount payable shall be equivalent to the one fourth, one half or one twelfth respectively of the annual rate of tax;

(b) a one time tax in the case of non transport vehicles and in case of such class of transport vehicles, as may be specified by notification in the Official Gazette, at such rates as may be specified by the State Government, by notification in the Official Gazette which shall not exceed 50% of the cost of the vehicle/chassis:

Provided that on every transfer of ownership of non transport vehicles mentioned above, an additional one time tax shall be payable as such rates as may be specified by the State Government, by notification in the Official Gazette;

(c) a tax in respect of motor vehicles registered outside the State and using roads in Rajasthan, at such rates, as may be notified by the State Government in the Official Gazette which shall not exceed Rs.2000/- per day in case of passenger vehicles and shall not exceed Rs. 2000/- per thousand Kg. Gross Vehicle Weight or part thereof for 30 days or part thereof in case of goods vehicles and shall not exceed Rs. 5000/- per

thousand Kg. of Unladen Weight or part thereof for 30 days or part thereof in case of Construction Equipment Vehicles;

(cc) a tax in respect of motor vehicles or motor vehicle chassis temporarily registered and passing through the State using roads in Rajasthan, at such rates, as may be notified by the State Government in the Official Gazette which shall not exceed Rs. 5000/-;]

(d) a tax on dealers in, or manufacturer of, motor vehicles in respect of such vehicles as are in their possession in the course of his business as such manufacturers, or dealer under the authorisation of a trade certificate granted or deemed to be granted under the Motor Vehicle Rules for the time being in force in the State of Rajasthan, at such rates as may be specified by the State Government by a notification in the Official Gazette which shall not exceed rupees ten thousand for every 50 vehicles or part thereof in respect of three or four wheeled vehicles; and shall not exceed Rs. 10,000/- for every 100 vehicles or part thereof in respect of two wheeled vehicles 1 and

(e) Deleted]

(2) A tax on motor vehicles other than those covered by one time tax shall be payable under this section by the owner of motor vehicle except for the period during which the owner surrenders the certificate of registration to the taxation officer, in the prescribed manner, that the vehicle has remained out of use for such reasons as may be prescribed, or satisfies the taxation officer that vehicle has not been used due to following reasons :-

(i) that the motor vehicle was restrained from plying by the competent court or authority;

(ii) that the motor vehicle was involved in an accident and a report to this effect was made to the police and because of accident it remained out of use;

(iii) that the motor vehicle was attached for the recovery of tax under the Rajasthan Land Revenue Act, 1956 (Act No. 15 of 1956) by the competent authority or attached under the warrant of attachment issued by the competent authority or court and during the period of attachment the vehicle did not remain in his possession:

Provided that,-

(i) the period of such surrender or non-use shall not be less than seven days for stage carriages and less than thirty days for other than stage carriages and

(ii) the period of such surrender shall not be more than one hundred eighty days in a calendar year for all categories of vehicles except in the case of theft of the vehicle.

Provided further that where a motor vehicle other than those which has paid one time tax under clause (b) of sub-section (1) of section 4 is found plying after the surrender of the certificate of registration, the tax on such vehicle shall be payable forthwith for the entire period for which such registration was surrendered alongwith a penalty equal to five times the amount of tax but no such tax or penalty shall be charged from empty vehicle going for repair or for test purposes."

" Rajasthan Motor Vehicles Taxation Rules, 1951

Rule 25. AA. Reasons of non-use.-The Taxation Officer shall satisfy himself and certify that the vehicle was not used in the State under any of the circumstances mention below :-

(1) that the motor vehicle was restrained from plying by the Competent Court or Authority;

(2) that the motor vehicle was involved in an accident and a report to this effect was made to the police and because of accident it remained out of use;

(3) that the motor vehicle was attached for the recovery of tax under the Rajasthan Land Revenue Act, 1956, (Act No. 15 of 1956), by the Competent Authority or attached under the warrant of attachment issued by the Competent Authority or Court and during the period of attachment, the vehicle did not remain in his possession;

(4) that the certificate of registration was suspended or cancelled by the Competent Authority;

(5) that due to mechanical breakdown (due to accident or otherwise) or repair and maintenance of the vehicle;

(6) that owing to any prohibitory orders under Sec. 144 of the Code of Criminal Procedure, 1973 (Act No. 2 of 1974) or any other law and order situation,

(7) that owing to the theft of the vehicle."

8. It is also appropriate to refer to **Rule 22** of the Rules of 1951 which reads as follows:-

"Rule 22. Token or tax certificate for vehicles exempt from tax.

(1) Subject to the exemptions described by rule 30, owner or persons incharge of motor vehicles which are totally exempt from payment of tax under the provisions of rule 28, shall complete and sign a declaration in Form M.T.A. Form M.T.A.A. as the case may be and present it to Taxation Officer in the manner prescribed by rule 6, together with satisfactory proof of the claim to exemption.

(2) on receipt of such declaration and proof, the Taxation Officer shall issue to the applicant, free of charge, the tax certificate marked "Exempt" in red ink which shall be valid upto 31st March of the next five years from the date of issue or till the transfer of ownership or non-eligibility for exemption, whichever is earlier.

(3) Every such token or tax certificate shall be marked "Exempt" in the space provided for the entry of the Article under which the motor vehicle would otherwise be taxable, and shall be carried on the motor vehicle in respect of which it is issued in the manner prescribed by rule 17."

9. From a clear reading of **Section 4** of the Act of 1951, the Taxation Officer is empowered to impose a tax on all the motor vehicles used or kept for use in the State of Rajasthan. Sub-Section (2) provides for payment of tax under this Section by the owner of the motor vehicle except for the period during which, the owner surrenders the certificate of registration to the Taxation Officer, in the prescribed manner showing that the vehicle has remained out of use for such reasons as may be prescribed, or satisfies the Taxation Officer that the vehicle has not been used for the reasons enumerated under Section 4(2) of the Act of 1951 and Rule 25-AA of the Rules of 1951.

10. Sub-Section (2) of the Act of 1951 is further divided into three parts viz., (i) exemption relating to the stipulation that the motor vehicle was restrained from plying by the competent court or authority; (ii) that the motor vehicle was involved in an accident and a report to this effect was made to the police and because of the accident, it remained out of use; and (iii) that the motor vehicle was attached for the recovery of tax under the Rajasthan Land Revenue Act, 1956 by the competent authority or attached under the warrant of attachment issued by the competent authority or court and during the period of attachment, the vehicle did not remain in the possession of the owner.

11. In each of the cases of exemption enumerated, one of the requirements is that the concerned owner is required to intimate to the Taxation Officer and surrender the registration certificate to the satisfaction of the Taxation Officer that the motor vehicle has not been used for the aforesaid reasons. One of the reasons would be that the motor vehicle was restrained from plying by the competent court or authority; the second reason or circumstance is that the motor vehicle was involved in an accident and a report to this effect was made to the police and because of the accident, it remained out of use and the third reason or circumstance would be that the motor vehicle was attached for the recovery of tax under the Rajasthan Land Revenue Act, 1956 by the competent authority or attached under the warrant of attachment issued by the competent authority or court and during the period of attachment, the vehicle did not remain in the possession of the owner.

12. The case of the petitioner is that his vehicle was seized in connection with a criminal offence under the NDPS Act by the concerned police. Going by the enumerated circumstances for grant of exemption as prescribed under Section 4(2) of the Act of 1951 as well as Rule 25-AA of the Rules of 1951, the seizure of the vehicle in connection with a criminal offence was not one of the enumerated conditions either under the Act or under the Rules. The contention of the learned counsel appearing for the petitioner that his case falls under the category of Section 4 Sub-Section 2(i) and Rule 25-AA (1) is not sustainable for the reason that such a situation would arise when there is a restraint order from the competent court or authority restraining the owner from plying the vehicle. Such situation would arise in a case where the owner is in possession of the vehicle and a restraining order or prohibitory order has been passed by the competent court or authority. In the present case there is no explicit order of prohibition or restraint from using the vehicle passed by the competent court or authority, therefore, the case of the petitioner does not fall under the above category of exemption. His case is also not falling under the other exempted clause.

13. The reliance placed by the petitioner on the Full Bench Judgment rendered by the Kerala High Court in the case of **Jomon M. Arackal (supra)** is not applicable to the facts of the present case having regard to the statutory framework contained thereunder. Section 22 of the Kerala Motor Vehicles Taxation Act, 1976 give authority to the Government, by issuing an exemption notification, to exempt any category of vehicle from taxation. The State of Kerala has issued a statutory notification exercising the

said power exempting all the vehicles, which are in the custody of the police, from taxation. Therefore, the judgment passed in the case of **Jomon M. Arackal** (supra) will not apply to the present case.

14. The reliance placed by the petitioner on the judgment of Hon'ble Apex Court in the case of **Tarachand Logistic Solutions Limited** (supra) is also not applicable to the facts of the present case and the statutory language involved in the said case. The issue involved in the said case was with regard to the operation of the vehicle in a private place. Whether the use of the vehicle in a private place would attract levy of tax or not. The Apex Court on consideration of the language of **Section 3** of the Andhra Pradesh Motor Vehicles Taxation Act, 1963 found that tax is liable to be imposed only on a vehicle used or kept for use in a public place in the State of Andhra Pradesh. The language of the provisions contained in Section 4 of the Rajasthan Motor Vehicles Taxation Act, 1951 is wider than the language used in Section 3 of the Andhra Pradesh Motor Vehicles Taxation Act, 1963. The language of Section 4 in the Act of 1951, when read, provides that the authority has the powers to impose tax on all motor vehicles used or kept for use in the State. The words 'public place' are omitted in the language. Therefore, the said judgment in the case of **Tarachand Logistic Solutions Limited** (supra) has no applicability to the facts of the present case.

15. In view of the above, this Court does not find any merit in the present case.

16. Learned counsel having argued the case touching upon the merits of the rejection order, though it is not challenged, sought

permission to challenge the said order, as he has challenged only the consequential order in the present writ petition. The consequential order was passed in pursuance of the impugned rejection order.

17. This Court finds no merit in granting such liberty, therefore, the writ petition, being devoid of any merit, is ***dismissed***.

18. Pending application(s), if any, stand disposed of.

(ANUROOP SINGHI),J

(MUNNURI LAXMAN),J