

News

Factory cranes and forklifts are considered "motor vehicles" and need to be registered: According to Kerala High Court Justice



Mohammed Nias CP, a vehicle's roadworthiness—rather than its actual use on the road—is the legislative criterion for determining whether it would be covered by the MV Act.

According to a recent ruling by the Kerala High Court, forklifts and cranes that are only used inside factories are classified as "motor vehicles" under Section 2(28) of the Motor Vehicles Act, 1988 (MV Act) since they are structurally capable of being driven on public highways.

[State of Kerala & others v. Natural Wood & Veneers Pvt Ltd]

As a result, the Court decided that they must be registered under the Kerala Motor Vehicles Taxation Act, 1976, and that taxes must be paid on them.

According to Justice Mohammed Nias CP, a vehicle's roadworthiness—rather than its actual use on the road—is the legislative test for determining whether it would be covered by the MV Act.

Therefore, under the Act, any vehicle that can move on a road—even if it is only used inside a factory—would be considered a "**motor vehicle**" unless it is specifically made to be used in enclosed spaces.

"The legal principles consistently affirmed by the Apex Court and various High Courts further reinforce this position: roadworthiness and adaptability, and not the actual use on roads, is the determinative test for whether a machine falls within the definition of a motor vehicle; exclusive use inside factory premises, port areas or enclosed compounds does not take such machinery outside the definition if it is capable of being used on public roads; the words "adapted" and "only" in the exclusion clause to Section 2(28) are decisive, with the exclusion applying only to machines exclusively designed for use within enclosed premises, rendering actual exclusive use irrelevant; and any machinery reasonably suitable for use on public roads remains a motor vehicle notwithstanding the claim that it is intended or designed for off-road or factory use," the Court stated.

The petitioner, Natural Wood & Veneers Pvt Ltd, with a 6 acre facility in Ernakulam, was utilizing two forklifts and a crane for lifting and moving timber within the enclosed factory grounds. They were never driven on public roads or utilized.

According to the company, these vehicles were classified as "**machinery**" under Section 29 of the Factories Act, 1948 (lifting machines, chains, ropes, and lifting tackles) and underwent regular safety inspections.

Based on these claims, the corporation attempted to overturn a May 2025 order from the Sub-Regional Transport officer telling them to cease operating the crane and forklifts until they were registered and insured.

The State contended that even though the vehicles equipped with mobility devices may be driven on public roads, they had not been insured or registered since their acquisition.

It relied on the concept of "public place" found in Section 2(34) of the Act, stating that as a factory is open to both employees and guests, the vehicles utilized there would be clearly covered by the Act.

In order to guarantee insurance coverage for the workers and anyone in the workplace in the case of an accident, the State further emphasized that vehicle registration was crucial.

The State's arguments were accepted by the Court.

It looked at the Central Motor Vehicles Rules' 2020 change to Rule 2(cab), which classified Construction Equipment Vehicles (CEV) and included vehicles like cranes and forklifts, as well as Section 2(28) of the MV Act.

It stated that CEVs are classified as non-transport vehicles because they are designed for off-highway use, such as in factories, yards, building sites, etc., while they may occasionally go on public highways.

However, as these devices have their own engines and are mobile, they would still be considered "***motor vehicles.***"

Therefore, the Court decided that all such apparatus that may be utilized on public roads had to be registered under Section 39 of the MV Act, with the exception of those that are permanently restricted to enclosed spaces and are incapable of traveling on roads.

Regarding tax payment, the Court ruled that a machine would automatically be subject to tax responsibility under Section 3 (levy of tax) of the Kerala Motor Vehicles Taxation Act once it came under the MV Act.

The petition was denied in light of the aforementioned.

Advocates V Krishna Menon, EK Madhavan, P Vijayamma, J Surya, and AB Beenu represented the petitioner.

Mohammed Rafiq, a special government pleader (Taxes), represented the state.

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