RESERVED ON 23RD JUNE 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF JULY, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT APPEAL NO. 1203 OF 2026 (MV)

BETWEEN:

1. THE STATE OF KARNATAKA
REPRESENTED BY ITS SECRETARY
DEPARTMENT OF TRANSPORT
VIDHANA SOUDHA
BENGALURU - 560 001

2. THE JOINT COMMISSIONER OF TRANSPORT
4TH FLOOR, V.V. TOWERS
DR. AMBEDKAR VEEDHI
BENGALURU URBAN
BENGALURU - 560 001

3. REGIONAL TRANSPORT OFFICER
MYSORE WEST
MYSORE DISTRICT
MYSORE - 570 021

4. SENIOR INSPECTOR OF MOTOR VEHICLES
RTO OFFICE, MYSORE WEST
MYSORE DISTRICT
MYSORE - 570 021

…APPELLANTS

(BY SRI K.S. HARISH, PRINCIPAL GOVERNMENT ADVOCATE)

AND:

1. NEERAJ KUMAR SHARMA
S/O SIDHNATH SHARMA
AGED ABOUT 40 YEARS
R/AT D-909, BRIGADE PINNACLE APARTMENTS
BEJAI KAVOOR ROAD
DEREBAIL, KONCHADY MANGALURU
DAKSHINA KANNADA DISTRICT
PIN - 575 006

...RESPONDENT

(BY SRI H. PAVAN CHANDRA SHETTY, ADVOCATE)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO ALLOW THE WRIT APPEAL AND SET ASIDE THE IMPUGNED JUDGEMENT AND ORDER DATED 24/03/2026, PASSED IN W.P. NO.36250/2025 (MV) PASSED BY THE LEARNED SINGLE JUDGE OF THIS HON'BLE COURT, WHEREIN THE LEARNED SINGLE JUDGE ALLOWED THE WRIT PETITION BY QUASHING THE IMPUGNED INVESTIGATION REPORT AND QUASHED THE ORDER OF CANCELLING THE REGISTRATION CERTIFICATE AND FURTHER DIRECTED THE RTO TO RESTORE THE REGISTRATION OF THE SAID VEHICLE AND FURTHER DIRECTED TO RELEASE AND HANDOVER THE VEHICLE TO THE PETITIONER - RESPONDENT HEREIN WHICH IS IN THE CUSTODY OF RESPONDENTS - APPELLANTS HEREIN AND ETC.

THIS WRIT APPEAL HAVING BEEN HEARD AND RESERVED FOR JUDGMENT, COMING ON FOR PRONOUNCEMENT THIS DAY, JUDGMENT WAS PRONOUNCED AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

C.A.V. JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

INTRODUCTION

1. The appellants [**State/the Transport Authorities**] have filed the present intra-court appeal impugning the order dated 24.03.2026 [**impugned order**] passed by the learned Single Judge in Writ Petition No.36250/2025(MV).

2. The respondent had filed the said writ petition, *inter alia*, praying as under:

> "(a) To quash the impugned Investigation Report of the 3rd and 4th respondents/Regional Transport Officer, Mysore West and Senior Inspector of Motor Vehicle, RTO Office, Mysore West dated 15.06.2025 bearing its No.CR.No.214476 produced as Annexure-A.
>
> (b) Direct the Respondent authorities to release the Petitioner's vehicle bearing its No.KA20MH0888 in favour of petitioner.
>
> (c) Grant such other reliefs as this Hon'ble Court may deem fit to grant in the circumstances of the case."

3. The learned Single Judge allowed the writ petition; quashed the investigation report impugned in the petition; and directed that the vehicle – Mercedes-Benz AMG G63, bearing Chassis No.

WDB4632722X261301 and Engine No. 15798460107755 [**the vehicle in question**] – be released forthwith to the respondent.

4. During the course of the proceedings in Writ Petition No.36250/2025(MV), the transport authorities cancelled the registration of the vehicle in question by an order dated 16.01.2026. The learned Single Judge set aside the said order and directed restoration of the registration.

FACTS

5. One Mr. Nihal Ahmed purchased the vehicle in question, Mercedes-Benz AMG G63, from T.V.Sundaram Iyengar and Sons Pvt. Ltd., Bengaluru, on 31.12.2016. The purchase was for a total consideration of ₹1,96,95,000/-, which was partly funded by financial assistance of ₹1,95,15,000/- from HDFC Bank Ltd. A temporary certificate of registration bearing No.KA51/TR005155/2016-17 was issued in respect of the vehicle in question by the RTO, Electronic City, Bengaluru, on 04.01.2017.

6. It appears that Mr. Nihal Ahmed thereafter sold the vehicle to third parties without the knowledge or consent of HDFC Bank Ltd. The vehicle in question reached Himachal Pradesh and was registered with the RTO, Indora, Himachal Pradesh, as "HP-97-

6063". The said registration was secured on the basis of fabricated documents and by prefixing and suffixing an additional character "∗" to the chassis number on account of which the subsisting temporary registration of the vehicle did not surface on the VAHAAN portal. According to the State, the said persons, to whom Sri Nihal Ahmed had allegedly sold the vehicle, are not to be found. The said registration, HP97-6063, was subsequently cancelled by the Registering Authority, Indora, Himachal Pradesh on 10.02.2021. Reasons recorded as 'FAKE DOCUMENT'.

7. According to Sri Nihal Ahmed, the persons to who he had sold the vehicle had also agreed to repay the loan to HDFC Bank. On realising that the agreed EMIs were not being paid, on 18.01.2022, Mr Nihal Ahmed lodged a complaint with the Ashok Nagar police station, Bengaluru, resulting in registration of an FIR in Crime No.0016/2022 for the offences punishable under Sections 406, 420, 504 and 34 of the Indian Penal Code,1860 [**IPC**].

8. The said registration, "HP-97-6063", was in favour of one Thiyagu. Sri Nihal Ahmed states that he had paid five equated monthly instalments, but did not pay the remaining instalments. He alleged that one person by the name Sri Manish Gajendra had approached him and informed him that one Kiran Bhagwan would

purchase the car and also pay the remaining EMIs. He alleged that on the basis of the said representation, the vehicle in question was handed over to Sri Manish Gajendra on 28.11.2017. The said Sri Manish Gajendra was to pay the amount of ₹1,86,00,000/-, but paid only a small fraction thereof said amount. He further alleged that, during a telephonic conference call, the said accused persons hurled abuses at him and had also informed him that the vehicle in question had been sold to a person named Sri Surya and was registered as HP97-6063 with the RTO, Indora. Shri Nihal Ahmed alleged that the said accused persons had cheated him.

9. The Delhi Police, while investigating crimes relating to fraudulent registration of high-end vehicles, registered an FIR [**Crime No.0073/2023**] dated 21.03.2023 at Police Station Crime Branch, New Delhi, against one Sri Harmanpreet Singh Walia of Amar Motors, Vikaspuri, New Delhi as one of the accused during the course of the said investigation, the vehicle in question was taken into police custody as it was an allegedly found plying in Delhi under an allegedly fabricated registration number-PB-05-AH-8877, purportedly issued by the RTO, Punjab.

10. The learned Chief Metropolitan Magistrate, Dwaraka Courts, New Delhi, by order dated 04.03.2024 ordered release of the

vehicle in question on *superdhari* to Sri Harmanpreet Singh Walia, who was the accused in Crime No.73/2023.

11. HDFC Bank Limited, with whom the said vehicle was hypothecated, filed an application before the learned Chief Metropolitan Magistrate, Dwaraka Courts, New Delhi, seeking cancellation of the order dated 04.03.2024 and praying for release of the vehicle in favour of the Bank.

12. It is relevant to note that, since Sri Nihal Ahmed failed to fulfil his repayment obligations, the HDFC Bank filed an original application, OA No.529/2019, before the Debt Recovery Tribunal, Bengaluru [**DRT**], for recovery of the outstanding amount of ₹1,71,62,792/- along with interest. The learned DRT, Bengaluru, found that HDFC Bank Ltd. was entitled to ₹1,41,62,583/- and issued a recovery certificate. Under the said proceedings [**OA No.529/19 and RC No.127/20**], Sri Nihal Ahmed was directed to pay the amount within a period of 30 days, failing which the same was to be realised by sale of the vehicle in question.

13. The application was allowed, and a recovery certificate was issued. The HDFC Bank commenced proceedings for enforcement of the recovery certificate [**RC No.127/2020**].

14. In the aforesaid backdrop, HDFC Bank filed an application seeking cancellation of the order dated 04.03.2024, whereby the vehicle in question was released on *superdari* to the accused Sri Harmanpreet Singh Walia. The learned CMM allowed the said application by an order dated 15.03.2024.

15. The learned CMM held that the HDFC Bank would have a higher right than persons who may have claimed a right over the vehicle in question from Sri Nihal Ahmed.

16. It is also material to note that the learned CMM had observed certain anomalies in the registration of the vehicle in favour of Thiyagu, which was filed by Sri Harmanpreet Singh Walia in the said proceedings.

17. The registration certificate bears the date of registration as 25.09.2020. However, the copies of Form No.29 and 30, which were filed by the said accused, reflected that the vehicle in question was sold by Sri Thiyagu to the accused Sri Harmanpreet Singh Walia in the year 2016, which was four years prior to the date when the vehicle in question was registered in favour of Sri Thiyagu.

18. The other documents indicated that the payment by the accused was made on 20.07.2022 and the possession of the said vehicle was handed over to Sri Harmanpreet Singh Walia on 22.07.2022.

19. The Learned CMM released the vehicle in question to HDFC Bank subject to various conditions, including furnishing of an indemnity bond in a sum of ₹1,00,00,000/- to the effect that if any person claimed to be the owner of the vehicle in question and is found to be the rightful owner, the HDFC Bank would indemnify to the extent of ₹1,00,00,000/-.

20. After the vehicle in question was released to HDFC Bank, Sri Nihal Ahmed addressed a letter dated 01.08.2024 to HDFC Bank for settling the car loan. He requested that the Bank settle his account be for ₹62,50,000/-. It is material to note that in his letter, he also stated that he had no other loans from HDFC Bank; he was travelling to the UAE; and his friend, Sri Neeraj Kumar Sharma [**the respondent**], would complete the necessary process on his behalf. He requested that an NOC be issued to the respondent. The said letter is handwritten, and certain words are not legible. However, there is no ambiguity that, by the said letter, Sri Nihal Ahmed desired to settle his loan account and have the hypothecation of

the vehicle in question released. The HDFC Bank received an amount of ₹62,50,000/- and issued no objection certificates [**NOCs**] dated 03.10.2024 to the RTO as well as the insurance company, confirming that the agreement entered into with Sri Nihal Ahmed had been terminated. The Bank requested the RTO and the insurance company to remove the entries in respect of hypothecation of the vehicle in question in its favour. The Bank also furnished Form No.35, requesting that the hypothecation as noted in their favour, be removed.

21. Thereafter, an application was filed before the learned CMM, Dwaraka Courts, New Delhi, for permission to sell the vehicle in question. It appears that the said application was allowed by an order dated 11.09.2024 subject to the condition that the respondent furnished an indemnity bond in a sum of ₹1,00,00,000/-. Accordingly, the respondent furnished the *superdarinama* / indemnity bond in the said sum.

22. Thereafter, the respondent applied for a temporary registration, and the vehicle in question was granted the temporary registration on 10.01.2025. Said temporary registration certificate is placed on record. The same indicates that the model of the

vehicle in question was altered, and is reflected as "BENZ GLA 200 CDI" instead of "Mercedes Benz AMG G63".

23. On 18.01.2025, the Additional Commissioner of Transport (Administration), Bengaluru, sent a letter to the Deputy Commissioner of Transport and Senior Regional Transport Officer, Mangaluru, regarding the registration of the vehicle in question. The addressee authority was instructed to confirm whether the vehicle had been sold within the period 31.03.2020; whether the details had been entered in the E-vahan portal; and to take steps for registration after such confirmation.

24. The vehicle in question was thereafter registered in favour of the respondent and was issued a registration number KA20 MH0888. The registration certificate sets out the details of the said vehicle, which are incorrect inasmuch as the number of cylinders is mentioned as '0'. The engine capacity is mentioned as 3982 [**3982 CC**]. There is no dispute that the said specification does not conform to the Mercedes model BENZ GLA 200 CDI.

25. The State's case is that, in securing registration, the respondent failed to disclose the vehicle's true description or its antecedent history. The respondent, in collusion with certain officials of the Regional Transport Office, Mangaluru, described the

vehicle as a "Mercedes-Benz GLA 200 CDI" instead of “Mercedes-AMG G63”. It understated its value at Rs.32,15,000/- instead of approximately Rs.1,96,95,000/-. Consequently, the lifetime tax payable was reduced from Rs.78,31,161/- to Rs.12,69,376/-. It is alleged that the respondent relied upon various fabricated documents—a Form No.21 sale certificate, a Form No.22 road-worthiness certificate, a tax invoice dated 08.11.2017, and an insurance policy—each bearing the same chassis and engine numbers as the original vehicle, for obtaining the said registration.

26. On 12.06.2025, the Additional Commissioner for Transport (Enforcement-South) issued an official memorandum constituting a Special Checking Squad, under the supervision of the RTO, Mysuru West, to check high-end vehicles evading tax within the Mysuru jurisdiction. Pursuant thereto, on 15.06.2025, the vehicle in question, which was parked outside the residence of one Mr. Nithin K. Shetty at Vijayanagar, Mysuru, was inspected, and its engine and chassis numbers were found to correspond with those of the original Mercedes-AMG G63. The vehicle was accordingly detained and seized by issuance of Form No.27 under Rule 27-A of the Karnataka Motor Vehicles Taxation Rules, 1957, read with Section 11-A of the Karnataka Motor Vehicles Taxation Act, 1957 [**KMVT**

Rules, 1957], vide the Investigation Report/Check Report No.CR.No.214476 dated 15.06.2025.

27. Thereafter, notices were issued to Mr. Nihal Ahmed (03.07.2025) and to Mr. Nithin K. Shetty (23.06.2025). The Lokayukta Police, Udupi, also registered Crime No.07/2025 against certain RTO officials in connection with the alleged fabrication of documents, and four officials of the RTOs at Mangaluru and Udupi were placed under suspension by order dated 26.06.2025.

28. Without responding to the notices or approaching the RTO for release of the vehicle, the respondent instituted Writ Petition No.36250/2025 (MV) before this Court, seeking to quash the Investigation Report dated 15.06.2025 and for release of the vehicle.

29. The State filed its Statement of Objections dated 09.12.2025, resisting the petition on the above grounds and additionally placing on record that, in the interregnum, the registration certificate of the vehicle had been cancelled by the RTO, Udupi, by order dated 16.01.2026, under Section 55(5) of the Motor Vehicles Act, 1988 [**MV Act**], on the ground that it had been obtained on the basis of fabricated documents.

30. During the pendency of the writ petition, the learned Single Judge put specific queries to the State by order dated 23.02.2026, in response to which the State filed an additional affidavit dated 26.02.2026, together with further supporting material.

IMPUGNED ORDER

31. The learned Single Judge briefly noted the facts as well as the State's allegations that the respondent had fabricated and altered relevant documents by altering the description of the vehicle in question from MERCEDES-BENZ-GL-63-AMG to BENZ GLA-200-CDI. Whereas the former is a high-end car, which admittedly was purchased by Sri Nihal Ahmed at ₹1,96,95,000/-; the sale price of GLA 200 CDI is a fraction of the said value. According to the State authorities, it is in the vicinity of about ₹35,00,000/-.

32. The State has also provided a calculation in its statement of objections regarding the shortfall of the tax paid on the said vehicle. According to the State, the same amounted to ₹78,31,161/- inclusive of penalty.

33. The Court noted that the core issue to be addressed is regarding the legality of the seizure of the vehicle in question. The

learned Single Judge concluded that the Officer who seized the vehicle in question [Mr. Ranjit N] was not the authorized officer under Section 11A of the Karnataka Motor Vehicles Taxation Act, 1957 [**KMVT Act**] and Section 207 of the MV Act and therefore had no authority to seize the vehicle in question.

34. The Court reasoned that the Officer in question was merely assigned the responsibility of submitting a report under the supervision of the Regional Transport Officer, Mysore West. He had acted beyond his scope of authority and seized the vehicle before submitting any such report. Accordingly, the seizure of the vehicle was held to be without jurisdiction.

35. The learned Single Judge also set aside the order cancelling the registration certificate on the ground that it had been passed during the pendency of the writ petition. The Court held that the order was in flagrant disregard of the Court proceedings and thus, could not be sustained.

REASONS AND CONCLUSIONS

36. As noted at the outset, the respondent had filed the writ petition impugning the investigation report dated 15.06.2025. The

respondent challenged the said report primarily on the ground that it violated the principles of natural justice.

37. The respondent claimed that the vehicle in question was not plying on the road as on the date of seizure, and that the seizure was made without following the due process of law.

38. The said report also mentions that the case under the provisions of Section 206 of the MV Act was also required to be investigated in conjunction with Sections 417, 418, 420, 463, 464, 468, 471, 482 and 120B of IPC. The respondent contended that no crime or FIR had been registered and therefore reference to the said sections in the context of seizure is erroneous.

39. At the outset, it is relevant to note that the impugned report dated 15.06.2025 notes that a complaint had been received on telephone regarding the registration certificate of the vehicle in question. It was alleged that the registration of the vehicle in question was obtained on the basis of false and fabricated documents. It is evident from the impugned report that the registration of the vehicle in question in favour of the respondent has been obtained reflecting an incorrect model of the vehicle. As noted above, there is a significant difference in the value of the model of the vehicle in question and the incorrect model. *Prima*

facie, the value of the vehicle has been understated, and therefore there may be merit to the State's contention that road tax has been evaded.

40. The impugned report sets out the registration details under KA20MH0888 and HP97-6063. It is material to note that the registration details indicate the sale consideration for the vehicle in question as ₹32,15,000/- and that the vehicle in question was purchased from Mercedes Benz Ltd., M/s. T.V. Sundaram Iyengar and Sons Pvt. Ltd., Sundaram Motors.

41. This report indicates that, upon physical inspection, it was found that the registration was obtained by furnishing fake documents, including a sale certificate and tax invoices. A photocopy of the said certificate is placed on record. Interestingly, it reflects the horsepower or cubic capacity of the vehicle as '3982CC ‘, and the number of cylinders is '8'. The fuel used is petrol. The model of the vehicle is reflected as GLA 200 CDI. The said sale certificate is purportedly issued by Mercedes-Benz India Pvt. Ltd., reflecting that it has been sold by Mercedes-Benz India Pvt. Ltd. to the respondent. The model GLA 200 CDI is a lower-end vehicle as compared to the vehicle in question; it is not powered by an 8-cylinder engine as reflected in the sale certificate, but by a 4-

cylinder diesel engine. The cubic capacity of the said vehicle is reportedly 2143 CC, which is significantly lower than 3982CC as reflected in the sale certificate (Form 21).

42. The tax invoice which has been placed on record is dated 08.11.2017 and reflects the unit price of the vehicle (without GST) as ₹21,72,297.29. No such vehicle had been sold to the writ petitioner (respondent) by Mercedes-Benz Pvt. Ltd., and *prima facie* there is merit in the contention that the said tax invoices and certificates are forged and fabricated.

43. The respondent's contention that no FIR has been registered is incorrect. Admittedly, an FIR has been registered in Delhi. Sri Nihal Ahmed also registered an FIR with Ashok Nagar Police Station, Bengaluru, and the Lokayukta Police, Udupi have also registered Crime No.07/2025 against certain RTO officials, alleging fabrication of documents relating to high-end vehicles. In view of the above, we find no ground for quashing the report dated 15.06.2025.

44. We are unable to concur that the impugned report, which largely contains certain factual narration and is in the nature of a preliminary report, ought to have been quashed. As noted above, the learned Single Judge quashed the said report solely on the

ground that the Officer in question was not authorised to seize the vehicle in question.

45. The impugned report dated 15.06.2025 indicates that the vehicle in question was seized under Rule 27 of the KMVT Rules, 1957, and was handed over to the SHO, Vijayanagar Police Station, Mysore, for safe custody.

46. It is relevant to refer to Section 11A of the KMVT Act and Rule 27A of the KMVT Rules. The same are reproduced below:

> "11A. Power to seize, detain and sell vehicles.- (1) Without prejudice to the provisions of sections 13 and 14, where any tax due in respect of any motor vehicle has not been paid within the period specified in section 4, such officer,—
>
> (i) of the Motor Vehicles Department not below the rank of an Inspector of Motor Vehicles; or
>
> (ii) of the Police Department not below the rank of an Inspector of Police, as the State Government may empower in this behalf, may, subject to such rules as may be prescribed, seize and detain such vehicle and for this purpose, take or cause to be taken all steps for the safe custody of the vehicle, until the tax due in respect of the vehicle is paid.
>
> 2) If the tax due in respect of the vehicle seized and detained under sub-section (1), is not paid within thirty days from the date of such seizure and detention, the officer empowered by the State Government may, after giving a notice in writing to the registered owner and the person who had the possession or control of the vehicle immediately before such seizure and detention, and considering their objections, if any, recover the tax due by sale of such vehicle in the manner prescribed:
>
> Provided that the vehicle shall not be sold if the tax due is paid at any time before sale.

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Rule - 27. Power to stop vehicles.

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Rule - 27-A. Procedure for seizure and detention of Motor Vehicles in case of non-payment of tax.

(1) Where an Officer empowered by the State Government under Section 11-A (hereinafter referred to as the Authorised Officer) has reason to believe that the tax payable in respect of any motor vehicle has remained unpaid, such Officer may by an order in Form 27 seize the motor vehicle and serve a copy of the order on the registered owner or the person in possession or control of such vehicle or his driver. After such order is made, the Authorised Officer shall direct that the vehicle be taken to the nearest Police Station mentioned in such order for detention. In case of any goods or articles in such vehicle the authorised officer shall make an inventory of goods or articles found in the vehicle and direct the person from whom the motor vehicle is seized, to remove the same. If such person fails or refuses to drive the vehicle to the nearest Police Station mentioned in the order, the Authorised Officer may arrange to have the vehicle driven to the Police Station. No Officer seizing or detaining a motor vehicle shall be responsible for the safe custody of any goods or articles therein and the registered owner or his representative duly authorised by him in writing shall make such arrangement for the safe custody as he deems fit.

(2) The tax due in respect of the vehicle seized and detained is not paid within thirty days from the date of such seizure and detention, the authorised officer shall forthwith intimate the same to the officer empowered under sub-section (2) of Section 11-A and shall cause the vehicle to be further detained till the tax due is paid or proof of payment of tax due is furnished.

(3) If the Registered Owner of the motor vehicle so seized and detained or his representative duly authorised by him in writing produce before the Authorised Officer proof evidencing that the tax due has been paid, the Authorised Officer as the case may be shall issue an order in Form 28 to the Officer-in-charge of the Police Station

> wherein the vehicle is kept in detention, to release the vehicle."

47. The official memorandum dated 12.06.2025 [**the memorandum**] states that a special squad has been constituted under the leadership of the In- charge Regional Transport Officer, Mysore (West) to investigate cases in respect of movement of very high-end value vehicles by evading taxes of the State and also with regard to vehicles registered in other States, but moving within the State. The Special Team comprised of Sri N.Ranjith, Senior Inspector of Motor Vehicles and four other officials. The memorandum also specifically stated that the investigation team was ordered to undertake special enforcement tasks under the jurisdiction of Mysuru City limits and to submit their investigation report to the office.

48. In the aforesaid view, it is clear that Sri Ranjith N, being an official not below the rank of an Inspector of Motor Vehicles had the necessary authority for taking steps or to undertake the enforcement tasks. These would also include seizure of vehicles where it was found that there was evasion of tax.

49. There is merit in the contention that the said memorandum does not include any powers other than those which were

statutorily contemplated under Section 11A of the KMVT Act and Rule 27A of the KMVT Rules.

50. The conclusion of the learned Single Judge that the memorandum conferred limited powers to submit a report and not to take any other action under the relevant statute, in our view, is erroneous.

51. As noted above, during the course of the proceedings, the Regional Transport Authority, Udupi, had initiated proceedings to cancel the registration of the vehicle in question.

52. The State has placed the proceedings on record which indicate that on 12.02.2025, the respondent had appeared before the said authority and had furnished documents (a) Form No.20, (b) Form No.21 (c) Form No.22, (d) Tax Invoice (e) Insurance Certificate (f) GST Certificate (g) Aadhar Card and (h) Temporary Registration Particulars and (i) Letter of Additional Commissioner for Transport (Admin).

53. On the basis of these documents, the vehicle in question was registered under the provisions of the MV Act. The concerned authorities, after perusal of the records, including the report received, found that the said documents, on the basis of which

registration had been obtained, were false. Accordingly, a show cause notice dated 25.11.2025 was issued to the respondent to show cause why the registration of the vehicle in question should not be cancelled. However, the said notice was returned unserved with the endorsement "No such person in the address". The proceedings indicate that the second notice dated 09.12.2025 was sent by registered post with acknowledgement due, but the same was also returned unserved. It is material to note that the proceedings indicate that both notices were sent by registered post. In view of the above, the concerned RTO concluded that the respondent had furnished an incorrect address.

54. Mercedes Benz Private Limited also confirmed that the sale certificate and the tax invoices produced were not issued by it. In light of the above, the RTO passed the order dated 16.01.2026 cancelling the registration under Section 55 of the MV Act.

55. Although no relief was claimed in respect of the said order, the learned Single Judge cancelled the same on the ground that it was issued in flagrant disregard of the Court proceedings. We are unable to concur with the said conclusion. There was no stay order restraining the concerned authorities from performing their statutory functions or exercising the powers under the MV Act. It is difficult

to accept that the said order was passed to overreach the proceedings before the Court.

56. The learned counsel appearing for the respondent vehemently contended that the respondent is a victim and a bona fide purchaser of the vehicle in question. However, he could not contradict any of the material facts. The respondent has not contradicted that the registration of the vehicle in question was obtained on the basis of the documents as stated by the State. The sale certificate issued by Mercedes Benz Pvt. Ltd. and the tax invoice are *prima facie* fabricated documents. The said company has also confirmed that no such documents have been issued. More importantly, it is not the respondent's case that he had purchased the vehicle from Mercedes Benz Pvt. Ltd. The learned counsel vehemently argued that the respondent had purchased the vehicle from HDFC Bank. However, there is no document on record to indicate that (a) HDFC Bank had sold the vehicle to the respondent; and (b) that the vehicle in question was registered on the basis of the said documents.

57. On a pointed query from the Court to the learned counsel appearing for the respondent to substantiate the said contention, he referred to the NOCs issued by HDFC Bank. However, the said

NOCs are of limited import. Under the said NOCs, HDFC Bank reported that the loan agreement had been terminated and the vehicle in question was no longer hypothecated to it. There is no document to establish the sale of the vehicle in question by HDFC Bank to the respondent.

58. On the contrary, the documents produced on record indicate that Sri Nihal Ahmed had approached the HDFC Bank for entering into a one-time settlement in respect of his loan account on payment of ₹62,50,000/-, that is the amount which the respondent claims that he has paid to HDFC Bank. This indicates that Sri Nihal Ahmed, on the basis of funds provided by the respondent, closed his loan account, and therefore HDFC Bank issued an NOC for removal of its hypothecation in its favour.

59. The respondent has been unable to produce any material to show that the vehicle in question was registered in his favour on the basis of any sale document executed by either Sri Nihal Ahmed or HDFC Bank.

60. The documents produced by the State establish that the State has produced documents, including the sale certificate and the tax invoices purportedly issued by Mercedes-Benz, on the basis of which the vehicle in question was registered in favour of

the respondent. If that assertion is correct, the decision of the concerned RTO to cancel the registration cannot be faulted, as the said documents are *ex facie* false.

61. In view of the above, the appeal is allowed, and the impugned order is set aside.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

KMV