



**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 20<sup>TH</sup> DAY OF DECEMBER, 2024**

**BEFORE**

**R**

**THE HON'BLE MR JUSTICE SURAJ GOVINDARAJ**

**WRIT PETITION NO. 28962 OF 2015 (GM-RES)**

**C/W**

**WRIT PETITION NO. 9193 OF 2017 (GM-ST/RN)**

**WRIT PETITION NO. 9578 OF 2017 (GM-RES)**

**IN W.P.NO.28962 OF 2015**

**BETWEEN**

ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED  
(ARCIL)

THE RUBY,  
10<sup>TH</sup> FLOOR, NO.29,  
SENAPATI BAPAT MARG,  
DADAR WEST, MUMBAI CITY,  
MAHARASHTRA-400 028  
REPRESENTED BY ITS AUTHORIZED SIGNATORY  
MR. KHEZAR KHAN.

...PETITIONER

(BY SRI: ARJUN RAO ALONG WITH  
SRI: VIGNESH SHETTY., ADVOCATE)

**AND**

- 1 . THE SENIOR SUB REGISTRAR  
NO.488, P BLOCK, 14<sup>TH</sup> CROSS,  
4<sup>TH</sup> STAGE, 2<sup>ND</sup> PHASE, PEENYA  
BANGALORE-560 058  
REPRESENTED BY  
T GOPALAKRISHNA  
SENIOR SUB-REGISTRAR
- 2 . THE DISTRICT REGISTRAR  
RAJAJINAGAR DISTRICT  
LEELA ARCADE, NAGARBHAVI  
BANGALORE  
REPRESENTED BY ITS DISTRICT REGISTRAR.





**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

- 3 . THE PRINCIPAL SECRETARY  
DEPARTMENT OF REVENUE  
BANGALORE-560 001.
  
- 4 . M/S. SRIDEVI HOSPITAL  
HAVING ITS REGISTERED OFFICE AT  
1620 A, 16<sup>TH</sup> MAIN ROAD,  
ANNA NAGAR,  
CHENNAI-600040  
REP. BY ITS SOLE PROPRIETOR  
DR.K SENTILNATHAN
  
- 5 . INDIAN OVERSEAS BANK  
CENTRAL OFFICE,  
NO.762, ANNASALAI,  
CHENNAI-600 002.

RESPONDENTS

(BY SRI. SPOORTHY HEGDE., AGA FOR R1 TO R3;  
SMT. MANASA R. RAO., ADVOCATE FOR R4;  
R5-SERVED AND UNREPRESENTED)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIRARI TO QUASH IMPOUNDING LETTER BEARING NO.SRO/PEENYA/1203/2014-15 VIDE ANNEXURE-J DATED 28.02.2015 ISSUED BY THE SENIOR SUB-REGISTRAR, PEENYA BANGALORE AND ETC.

**IN W.P.NO.9193 OF 2017**  
**BETWEEN**

M/S ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED  
(ARCIL)  
THE RUBY,  
10<sup>TH</sup> FLOOR, NO.29,  
SENAPATI BAPAT MARG,  
DADAR WEST, MUMBAI CITY  
MAHARASHTRA-400028  
REPRESENTED BY ITS AUTHORISED SIGNATORY  
MR HARISH KUMAR

...PETITIONER



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
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DEPARTMENT OF REVENUE  
BANGALORE-560 001.
- 4 . DR.K. SENTHILNATHAN  
PROPRIETOR OF M/S SRIDEVI HOSPITAL  
HAVING ITS REGISTERED OFFICE AT  
1620 A, 16<sup>TH</sup> MAIN ROAD,  
ANNA NAGAR,  
CHENNAI-600040  
REP. BY ITS SOLE PROPRIETOR  
DR.K SENTILNATHAN
5. SMT. DEVI  
AGED ABOUT 29 YEARS  
W/O MR.N ARUN KARTHIK  
RESIDING AT V.R.S.R.M. HOUSE,  
ATHANGUID POST-630101  
SHIVAGANGA DISTRICT.
- 6 . INDIAN OVERSEAS BANK  
CENTRAL OFFICE,  
NO.762, ANNASALAI,  
CHENNAI-600 002.



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
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RESPONDENTS

(BY SRI. SPOORTHY HEGDE., AGA FOR R1 TO R3;  
SMT. MANASA R. RAO., ADVOCATE FOR R6;  
R4-SERVED)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF CERTIORARI OR MANDAMUS TO QUASH THE IMPUGNED DEED OF CANCELLATION DATED 03.10.2016 REGISTERED VIDE DOCUMENT NO. 4707/2016-17 IN BOOK I IN THE OFFICE OF THE SUB-REGISTRAR, PEENYA, BANGALORE & DEED OF DECLARATION DAED 03.10.2016 REGISTERED VIDE DOCUMENT NO.4706/2016-17 BOOK I IN THE OFFICE OF THE SUB REGISTRAR, PEENYA PRODUCED AS ANNEXURE-O & P RESPECTIVELY AND ETC.

**IN W.P.NO.9578 OF 2017**  
**BETWEEN**

M/S ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED  
(ARCIL)  
THE RUBY,  
10<sup>TH</sup> FLOOR, NO.29,  
SENAPATI BAPAT MARG,  
DADAR WEST, MUMBAI CITY  
MAHARASHTRA-400028  
REPRESENTED BY ITS AUTHORISED SIGNATORY  
MR HARISH KUMAR

...PETITIONER

(BY SRI: ARJUN RAO ALONG WITH  
SRI: VIGNESH SHETTY., ADVOCATE)

**AND**

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REPRESENTED BY  
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SENIOR SUB-REGISTRAR
  
- 2 . THE DISTRICT REGISTRAR



RAJAJINAGAR DISTRICT  
LEELA ARCADE, NAGARBHAVI  
BANGALORE  
REPRESENTED BY ITS DISTRICT REGISTRAR.

- 3 . THE PRINCIPAL SECRETARY  
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REP. BY ITS SOLE PROPRIETOR  
DR.K SENTILNATHAN
5. SMT. DEVI  
AGED ABOUT 29 YEARS  
W/O MR.N ARUN KARTHIK  
RESIDING AT V.R.S.R.M. HOUSE,  
ATHANGUID POST-630101  
SHIVAGANGA DISTRICT.
- 6 . INDIAN OVERSEAS BANK  
CENTRAL OFFICE,  
NO.762, ANNASALAI,  
CHENNAI-600 002.  
REP BY THE BANK MANAGER

RESPONDENTS

(BY SRI. SPOORTHY HEGDE., AGA FOR R1 TO R3;  
SMT. MANASA R. RAO., ADVOCATE FOR R5 & R6;  
R4-SERVED)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227  
OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF  
CERTIORARI OR MANDAMUS TO QUASH THE REGISTRATION BY THE  
SENIOR SUB-REGISTRAR, PEENYA, BANGALORE OF THE IMPUGNED  
GIFT DEED EXECUTED BY RESPONDENT NO.4 IN FAVOUR OF  
RESPONDENT NO.5 DATED 30<sup>TH</sup> SEPTEMBER 2014 VIDE DOCUMENT



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
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NO. 5545/14-15 AND ALL SUBSEQUENT TRANSACTIONS THEREAFTER PRODUCED AS ANNEXURE-P AND FURTHER REMOVE ALL THE ENTRIES IN RELATION TO THE REGISTRATION THEREOF WITH RESPECT TO THE SCHEDULED PROPERTY FROM IT RECORDS AND ETC.

THESE WRIT PETITIONS COMING ON FOR ORDERS AND HAVING BEEN RESERVED FOR ORDERS ON 27.11.2024, THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MR JUSTICE SURAJ GOVINDARAJ

**CAV ORDER**

1. The Petitioner in W.P.No.28962/2015 is before this

Court seeking for the following reliefs:

- a. *To issue a writ of Certiorari to quash the impounding letter bearing No. SRO/Peenya/1203/2014-15 vide Annexure-J dated 28.2.2015 issued by the Senior Sub Registrar, Peenya Bangalore.*
- b. *Grant such other relief as deemed fit to this Hon'ble Court in the facts and circumstances of the case.*

2. The Petitioner in W.P.No.9193/2017 is before this

Court seeking for the following reliefs:

- i. *To issue a writ of Certiorari or Mandamus to quash the Impugned Deed of Cancellation dated 03.10.2016 registered vide Document No.4707/2016-17 in Book I in the office of the Sub-Registrar, Peenya, Bangalore & Deed of Declaration dated 03.10.2016 registered vide Document No.4706/2016-17 Book I in office of the Sub-Registrar, Peenya produced as Annexure-O and P, respectively.*



- ii. *Grant such other relief as deemed fit to this Hon'ble Court in the facts and circumstances of the case.*

3. The Petitioner in W.P.No.9578/2017 is before this Court seeking for the following reliefs:

- i. *To issue a writ of Certiorari or Mandamus to quash the registration by the Senior Sub-registrar, Peenya, Bangalore of the Impugned Gift Deed executed by Respondent No.4 in favour of Respondent No.5 dated 30<sup>th</sup> September 2014 vide Document No.554/14-15 and all subsequent transactions thereafter produced as Annexure-P and further remove all the entries in relation to the registration thereof with respect to the Scheduled Property from its records.*
- ii. *Grant such other relief as deemed fit to this Hon'ble Court in the facts and circumstances of the case.*

4. The petitioners in each of the above matters are Asset Reconstruction Company (India) Limited **(ARCIL)** registered as Securitisation and Reconstruction Company under Section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security interest Act, 2002 (hereinafter referred to as '**SARFAESI Act**'). The petitioner is also a financial institution under Section 2(h)(ia) of Recovery of Debts due to Banks and



Financial Institutions Act, 1993 and registered with the Reserve Bank of India under Section 3 of SARFAESI Act.

5. The facts in each of the above petitions are more or less the same.
6. The original lender - Indian Overseas Bank (hereinafter referred to as '**IOB**') had for the purchase of the Secured Property and for the development and construction of residential flats/apartments on the Secured Property vide its sanction letters dated 12.04.2004, 17.11.2005, 20.06.2006, 24.12.2007 and 23.05.2008 granted diverse financial assistance to borrower - M/s.Sridevi Hospital (hereinafter referred to as '**Sridevi**').
7. As security for the said financial assistance, availed from IOB, Sridevi had created an equitable mortgage over Plot No.ML-8D, measuring 1.46 acres, situated at Sy.No.2, Peenya Plantation, Yeshwantpura, Hobli,



Bangalore by depositing the title deeds of the said property with IOB.

8. Sridevi had also executed various other documents such as a Loan Agreement, Deed of Hypothecation, Guarantee, etc. in favour of IOB. Sridevi having defaulted in making payment of the dues on the said loan accounts, the loan account was treated as non-performing asset as per Reserve Bank of India (hereinafter referred to as '**RBI**') guidelines and it is thereafter that IOB executed a Deed of Assignment on 31.8.2013, whereunder IOB sold, assigned, transferred and released all financial assets pertaining to the account of IOB including all security interest, guarantees, rights, title and interest therein to ARCIL.
9. Pursuant to the assignment in terms of Section 5(4) of the SARFAESI Act, ARCIL being entitled to pursue all proceedings to recover the dues having taken assignment of all the rights of the IOB, ARCIL



informed Sridevi that it had taken over the financial assistance granted by IOB vide its letter dated 01.09.2010. Sridevi replied to the same on 07.09.2010, stating that it was interested in settlement of the loans, and offered broad terms of settlement. ARCIL, vide its letter dated 30.09.2010, had informed Sridevi that it was ready to settle the dues as per the terms of the resolution plan, and broad terms of condition dated 27.09.2010 and requested Sridevi to sign a duplicate copy of the letter.

10. Sridevi and the guarantors signed the same as also the term sheet and thereafter made certain payments till September 2011. Thereafter, there being defaults on part of Sridevi, ARCIL exercised its rights under the SARFAESI Act and issued a notice in terms of subsection (2) of Section 13 of the SARFAESI Act and in terms of the provisions of the Security Interest (Enforcement) Rules, 2002



(hereinafter referred to as '**SARFAESI Rules**') and instructed Sridevi not to transfer any assets.

11. No reply having been issued to the said notice or the notice thereafter under subsection (4) of Section 13, ARCIL approached the 7th Additional Chief Metropolitan Magistrate under Section 14 of the SARFAESI Act by filing Criminal Misc.No.1037/2013 which came to be allowed permitting Petitioner-ARCIL to take physical possession of the property, which was so taken over on 28.03.2013.
12. Despite having taken possession, ARCIL was unable to go ahead with the sale of the property or the like on account of the actions on part of Sridevi and the guarantors inasmuch as there were litigations initiated on behalf of or at the behest of Sridevi. Sridevi, had also filed criminal complaints which were quashed by this Court.



13. When auction notification was published on 15.03.2015, Sridevi filed a suit in OS No.2731/2015 contending that the resolution plan and broad terms of conditions had not been properly stamped, as per the Karnataka Stamp Act, allegedly on the basis of a letter issued by the Sub-Registrar, Peenya, who is the respondent No.1 in WP No.28962/2015. Sridevi, sought for stay of the auction as also for impounding of the aforesaid document on the basis of the letter issued by the Senior Sub-Registrar. ARCIL contested the said suit, having filed a caveat. The interim order which was sought for was refused. It is on the filing of the suit and on examination of the documents that ARCIL came to know that the letter issued by the Senior Sub-Registrar was on account of a complaint filed by an organization named **Anti-Corruption Council of India**.
14. ARCIL contending that the said letter issued by the Senior Sub-Registrar is beyond his purview and



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

contrary to the applicable law, has filed WP No.28962/2015, seeking for the aforesaid reliefs.

15. The letter issued by a Senior Sub-Registrar dated 28.02.2015, produced at Annexure-J to WP No.28962/2015 is reproduced hereunder for easy reference:

***Government of Karnataka***

***Stamps and Registration Department***

*No/SRO/Peenya/1203/2014-15*

*Peenya Sub Registrar Office  
No. 488, P Block, 14th  
Cross, 4th Stage, 2 Phase,  
Peenya,  
Bangalore 560058.*

*Date: 28/02/2015*

*To*

*The District Registrar  
Rajajinagara District  
Leela Arcade, Nagarabhavi  
Bangalore*

*Sir.*

*Sub:- Impounding and examination of*



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

*instruments U/s 33 of the K.S.Act  
1957 reg:-*

*With reference to the above, an instrument of Agreement of conveyance is presented before me by the Anti-Corruption council of India which is described as agreement of conveyance Sridevi Hospital (Resolution plan and Broad terms and conditions) Which is executed on 27.9.2010 by Sri Devi Hospitals, No. 1620-A, 16th main road, Anna Nagar, Chennai-600040 in favour of Assets reconstruction company (Arcil) India Ltd, No. 29, The Ruby 10th floor, senapati Bapat marg, Dadar west, Mumbai-400028.*

*Whereas, on my perusal the instrument in question involves an actual contract of conveyance and liability of stamp duty to be borne by Arcil Trusts (i.e, Arcil and its Trust) there by violating the provision of sec 59, 59-A and 59-B of the Karnataka stamp Act 1957 i.e, it attracts, "penalty for executing etc, instrument not duly stamped." And they have executed the instruments with an intention to defraud the state Govt revenue by also violating the essential basic provision's of Karnataka stamp Law i.e, sec 34 instruments not duly stamped inadmissible in evidence etc."*

*And whereas, the tenor and contents of the said instruments clearly shows that there is an huge investments, security and liability aspects and the financial institution's and the Arcil Trusts have not once bothered to obtain an adjudication or opinion of the Deputy commissioner under the Karnataka stamp Act 1957 or not even also bothered to register the document which is a subject matter of conveyance's and transfer's and without any registration's the immovable properties are encumbered by merely executing such documents, and by making such deviations the immovable properties are being subjected to release and relinquishment's of their respective share, right title and interest therein, This*



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

*instrument involves evasion of proper stamp duty under the several articles of the schedule to the Karnataka stamp Act 1957 and failure to adhere to the provisions of sec 28, Facts affecting duty to be set forth in instrument" by the concerned Bank's or financial instruction's Arcil and its Trust and IOB Chennai Br. The Govt of Karnataka department of registration and Stamp's has lossed huge amount of revenue due to non levy of proper stamp duty on this Instrument.*

*Hence, in exercise of the power conferred to me under section 33 of the Karnataka stamp Act 1957 I hereby impound this document for further action U/s 37 with a request to take suitable action for violating the provision's of stamp law and also committing criminal breach of trust on the part of Arcil and its Trust and concerned IOB, Chennai. Br.*

*Yours faithfully*

*Sd/-*

*T. Gopalakrishna  
Senior Sub-Registrar  
Peenya Bangalore*

*Enclosed: Original deed of Conveyance impounded herewith.*

*Copy to:*

*Anti Corruption Council to India, No.27/3,  
Block 'B' P.H. 4, The Summit Aparment,  
Sankey Road, Bengaluru-560052.  
For Kind information and appropriate Action*



16. The facts in WP 9193/2017 are more or less similar, the very same Senior Sub-Registrar had issued a certificate that the scheduled property was free of encumbrances on 09.10.2014. ARCIL sought for clarification by pointing out to the Senior Sub-Registrar that the property had been mortgaged and security had been created. It was then that it was brought to the notice of ARCIL that the proprietor of Sridevi, one Dr. K. Senthilnathan, who is respondent No.4 in WP No.9193/2017, had executed a unilateral Deed of Declaration dated 03.10.2016 registered as Document No.4706/2016-17 and a unilateral Deed of Cancellation (cancellation of Assignment Agreement dated 31.8.2010 registered on 21.10.2010 between I.O.B. and ARCIL) dated 3.10.2016 which is registered as Document No.4707/2016-17.
  
17. Under both these documents which were registered by the Senior Sub-Registrar, a unilateral declaration was made by Dr. K. Senthilnathan that the Deed of



Assignment dated 21.10.2016 executed by IOB in favour of ARCIL was null and void and by way of the Deed of Cancellation, the Senior Sub-Registrar registered the document unilaterally executed by Dr.Senthilnathan cancelling the assignment agreement and it is in that background that ARCIL obtained certified copies of the document and is before this Court seeking for the aforesaid reliefs.

18. In WP No.9578/2017, the facts arise subsequent to the execution of Deed of Declaration and Deed of Cancellation inasmuch as Dr.Senthilnathan has executed a gift deed in favour of his daughter Smt.Devi, on 30.09.2014 registered as Document No.5545/2014-15, with the Sub-Registrar of Peenya. The said Smt.Devi in turn has gifted a portion of the said property to her brother Dr.Ashwin, on 4.02.2015, registered as Document No.22572/2015-16 and thereafter Srimati Devi has also entered into a Memorandum of Understanding, with one



Mr.O.S.Hussain, pertaining to the very same property.

19. ARCIL, on coming to know of the same, submitted a detailed representation to the Senior Sub-Registrar, and his immediate superior, the District Registrar, on 30.07.2016, not to permit any transaction, over the property subject matter of the mortgage. Despite which Respondent No.1, Senior Sub-Registrar, has gone ahead and registered the documents.
20. Dr.Senthilnathan, having filed Insolvency Petition No.55/2013 before the Hon'ble High Court of Madras, was declared as an insolvent by the said Court on 7.10.2013, and as such, it is contended that post 7.10.2013, Dr.Senthilnathan could not have executed any gift deed as regards the subject property. This being apart from the contention that he had no right to do so and it is in that background that ARCIL is before this Court seeking for the aforesaid reliefs.



21. Sri.Arjun Rao, learned counsel appearing for ARCIL, would submit that

21.1.Though normally this Court would not entertain a prayer in a writ petition for cancellation of the registered documents, this Court would be required to exercise such extraordinary jurisdiction, taking into account the fraud that has been perpetuated by Sridevi firstly, Dr.Senthilnathan secondly, and thereafter by his children, Dr. Devi and Dr. Ashwin, as also by the aforesaid Sri.O.S.Hussain, and a so-called organization known as Anti-Corruption Council of India.

21.2.All the documents having been executed in a proper and required manner between Sridevi and IOB, IOB had assigned all its right under the said documents to ARCIL, the resolution plan and broad terms and conditions was



executed by Sridevi, Dr.K.Senthilnathan and his wife Ms. Meena in favour of ARCIL. The said resolution, plan and broad terms and conditions was also acted upon and it is only on default when ARCIL exercised its rights under the SARFAESI Act that Sridevi, represented by its promoter, Dr.Senthilnathan, have indulged in various illegal activities.

21.3.By referring to the letter of the Senior Sub-Registrar, Peenya, he submits that without any document having been presented before the Senior Sub-Registrar for registration or otherwise, on the basis of a complaint by some organization by name Anti-Corruption Council of India, the Senior Sub-Registrar has come to a conclusion that the same is a contract of conveyance liable for stamp duty executed with the intention to defraud the State Government.

21.4.Senior Sub-Registrar Mr. T. Gopalakrishna, is stated to have impounded the document for



further action under Section 37. The said letter is addressed to District Registrar, Rajajinagara and copy is marked to Anti-Corruption Council of India, No.27/3, Block-B, PH-4, Summit Apartment, Sankey Road, Bangalore, 560052, for information.

21.5. Thus he submits that the complaint having been filed by Anti-Corruption Council of India, allegedly on behalf of Dr.Senthilnathan, unilateral action has been taken by the Senior Sub-Registrar; the document is proposed to be impounded without even a notice to the IOB or ARCIL, even though at several places in the said letter, ARCIL and IOB have been mentioned.

21.6. By referring to the Deed of Declaration, he submits that the Deed of Declaration which is produced at Annexure-O to WP No.9193/2017 runs into nearly 58 pages. The deed of declaration has been unilaterally executed by



Dr.K.Senthilnathan, whose details are found at page 1; from page 2 to page 41, there have been extracts of various judgments produced and from page 42, a claim has been made by Dr.Senthilnathan that he is the owner of the immovable properties and details of the purchase have been given; at page 46, it is claimed that he has cleared the loans of IOB and no due certificate has been issued by IOB and alleging that there is collusion between IOB and ARCIL in executing various documents, Dr.Senthilnathan has filed various complaints, at page 55 he has declared that ARCIL has played fraud, coercion and suppressed before the courts and it is this document which has been registered by the Sub-Registrar, Peenya, Bangalore as document No.4706 on 3-10-2016 in Book-1 and stored in CD No.PNYD 647.

21.7.No such document could have been executed let alone registered in Book-1. A unilateral



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

declaration, is not a document which can be registered in Book-1. Furthermore, the Sub-Registrar could not have registered a declaration that the documents executed between IOB and ARCIL are fraudulent or otherwise.

21.8. By referring to the Deed of Cancellation produced at Annexure-P to WP No.9193/2017, which again runs to 58 pages, he submits that page 1 gives the details of Dr.Sentilnathan, page 2 to 41 are repetition of the extracts of the judgments, ownership and claim of Dr.Sentilnathan has been detailed out from page 42 to 46 and thereafter, allegations have been made against IOB and ARCIL and consequently, alleging that there is fraud played, he has declared that the assignment dated 31-8-2010, executed and registered as document No.3413/2010-11, in Book-1, registered on 21-10-2010, in the office of the



Sub-Registrar, Annanagar, Chennai, is null and void and any person or the Indian Overseas Bank or its agency, ARCIL, shall have no right, title or interest over the said property.

21.9. This again he submits, could not have been done by Sub-Registrar, Peenya firstly contending that Dr.Senthilnathan was not a party to the Deed of Assignment between IOB and ARCIL. Secondly, the Senior Sub-Registrar, Peenya could not register a document, cancelling a document, that to when it is registered in sub registrar's office Chennai. Thirdly he submits that there cannot be a unilateral declaration which could be registered. Fourthly that such a declaration could not negate a mortgage registered in Book 1. Thus, he submits that these illegal actions on part of Dr.Senthilnathan have to be dealt with strictly by this Court by granting the relief sought for.



21.10. Insofar as W.P.No.9578/2017 is concerned, he submitted that the very same Dr.Senthilnathan representing Sridevi has gifted a portion of the property mortgaged to his daughter, which could not have been so registered by the Sub-Registrar when there is a mortgage on the said property. He submits that, all the above indicates, the illegality, perpetuated by Sridevi and Dr.Senthilnathan in collusion with the Sub-Registrar, requiring this Court to take cognizance of these facts, and take strict action by exercising the extraordinary jurisdiction and powers vested with this Court, both under Article 226 and 227 of the Constitution of India.

22. Sridevi has been represented by various counsel from time to time. Firstly, Smt.Sabhitha M., counsel appeared and submitted on 25.10.2024 that

22.1. The writ petitions were not maintainable since they were related to impounding of an



instrument on account of insufficiency of stamp in W.P.No.28962/2015, cancellation of a Deed of Declaration in W.P.No.9193/2017 and quashing of a Deed of Declaration in W.P.No.9193/2017 and as such the ARCIL would have to approach jurisdictional Civil Court.

22.2.The said submission was reiterated and it is contended that this Court would not have jurisdiction to entertain the present matters.

22.3.Subsequently, on 13.11.2024 one another counsel appeared and reiterated the very same submission made by Smt.Sabhitha M., and further contention was made that Dr.Senthilnathan was well within his rights to execute a declaration as regards the property relating to Sridevi of which he was the promoter.

22.4.The cancellation of documents executed in relation to the property of Sridevi is also



proper, inasmuch as neither IOB nor ARCIL had any right to execute such deed of assignment. Dr.Senthilnathan being adversely affected by the said Deed of Assignment has executed the Deed of Declaration and Cancellation Agreement, and no fault can be found with them.

22.5.It is further contended that all the aspects are disputed facts, which can only be agitated before a Court of competent jurisdiction, and this Court ought not to excise its jurisdiction in the matter, and as such dismissal of the above writ petitions was sought for.

22.6.Thereafter, when the matter was taken up on 27.11.2024, another counsel, namely Shri Sri.Mahadevasetty sought to address his arguments by seeking for an adjournment when it was pointed out to him that arguments had been already addressed and the matter had been adjourned to 27.11.2024 only for the



purpose of enabling the AGA to submit if the Senior sub-registrar was in service as also to provide the names of the Senior Sub-Registrar and Sub-Registrar of Peenya. However, this counsel was also heard, who repeated the very same submissions, and the matter was reserved for judgment.

23. Heard Sri.Arjun Rao, learned counsel for ARCIL, Sri.Spoorthy Hegde, learned AGA for respondents No.1 to 3 and Smt.Sabhitha M., and Sri.Mahadevasetty, learned counsel for Sridevi in all the above matters and perused papers.
24. Subsequent thereto, an application in I.A.No.3/2024 has been filed on 16.12.2024 by the counsel for Sridevi Hospital after the matter was reserved for judgment.
25. Sridevi has prayed for this Court to consider the legal factual and legal aspects of the application and reject the Writ Petition. In the affidavit which has been



filed by Dr.Senthilnathan, Proprietor of Sridevi Hospital, it is stated that there is a suit in O.S.No.8433/2023 which is pending between ARCIL and Dr.Senthilnathan where declaratory relief has been sought for, which has been contested by ARCIL. Therefore, the Writ Petition has to be rejected directing ARCIL to contest the suit. It is further stated that another suit in O.S.No.8167/2024 has been filed for declaration against ARCIL. The Civil Court being ceased of the matter, the same cannot be agitated in writ jurisdiction and the above petition is barred by principles of *res judicata*.

26. The points that would arise for consideration are:

- 1. Whether a unilateral declaration could have been executed by a person and registered in Book-1 by a Sub-Registrar?**
- 2. Whether a unilateral cancellation agreement could be executed and registered by a party, not party to the registered document and be registered by a Sub-Registrar?**
- 3. Whether a Sub-Registrar could impound any document without giving notice to a party to**



***the said document on the basis of a complaint filed by a third party?***

**4. What order?**

27. Before answering the points that have arisen, let me deal with I.A.No.3/2024, which has been filed by the counsel for respondent No.4. Firstly, it is contended that there is a suit in O.S.No.8433/2023, which has been filed by Dr.Senthilnathan against ARCIL and others. Having perused the records, it is seen that the reliefs which have been sought for in the said suit is as under:-

- a) *To Declare the document viz "Resolution plan and Broad Terms and conditions" entered between the plaintiff and 1<sup>st</sup> defendant is nul and void and not binding to the plaintiff in respect of the schedule property as impounded and not in accordance and inadmissible under law and confirm the impounding order dated 28.2.2015 passed by the Senior Sub-Registrar, Peenya, Bangalore as per section 33 of the Karnataka Stamp Act, 1957.*
- b) *To declare the defendant No.1 has no locus standi to claim any right, title or interest over the schedule property of the plaintiff in any manner and direct the 1<sup>st</sup> defendants not to act upon the documents by name Resolution Plan and Board Terms conditions as an agreement of Conveyance which is impounded by the Government of Karnataka as per the order dated 28-02-2015 issued by the Senior Sub-Registrar, Peenya, Bengaluru.*



- c) To direct the court office to calculate the duty penalty from the year 2015 to till date pertaining to impounded document and recover the loss caused to the State Excheque;*
- d) To declare any transactions taken place between the defendants in respect of the Schedule property are all voidable transactions and not in accordance with law;*
- e) Grant such other relief including cost of this suit in the interest of justice.*

28. A perusal of the aforesaid prayers would indicate that reference has been made to the impounding of the document titled resolution plan and broad terms and conditions, which has been dealt with by this Court. The said suit in O.S.No.8433/2023 has been filed much subsequent to the above Writ Petitions which have been filed before this Court. In W.P.No.28962/2015, the impounding of the document by Senior Sub-Registrar, Peenya is under challenge. That being so, I am of the considered opinion that the orders passed in the present writ petition would have an impact on the civil suit and not otherwise since it is the power of the Senior Sub-



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

Registrar to impound the document in the manner done, which has to be considered by this Court.

29. Insofar as suit in O.S.No.8167/2024 is concerned, a perusal of the plaint would indicate that the relief sought for are as under:-

- a) *To declare that the Deed of Declaration dated 03.10.2016 registered on 04.10.2026 registered as Document No. PNY-1-04706/2016-17, Book 1, Stored in PNYD647, in the office of the Sr. Sub-Registrar, Peenya, executed by the plaintiff is binding on the defendant and restrain the defendant from interfering with the plaintiff's affairs or his properties in future;*
- b) *To declare that Deed of Cancellation dated 3.10.2016 registred on 4-10-2026 registered as Document No. PNY-1-04707/2016-17, Book-1. Registrar Peenya, executed by the plaintiff is binding on the defendant and restrain the defendant from interfering with the plaintiff's affairs or his properties in future;*
- c) *Consequently to grant permanent injunction restraining the defendant, their henchmen, successors, officers, representatives attorneys, agents or any person claiming under them, from interfering with the peaceful possession and enjoyment of the plaintiff suit schedule properties;*
- d) *To grant the costs of suit; and*
- e) *To grant such other or orders as this Hon'ble Court may deem fit to grant in the facts and circumstances of the case together with cost, in the interest of justice and equity.*



30. A perusal of the above prayers would indicate that the Deed of Declaration dated 03.10.2016 and Deed of Cancellation dated 03.10.2016 which are subject matter of W.P.No.9193/2017 are sought to be enforced. The validity of the said document is not under challenge in that suit but the registration of the said documents is under challenge in the Writ Petitions. As such, I am of the considered opinion that pendency of the suit in O.S.No.8433/2023 would also not come in the way of this Court deciding the lis between the parties. Hence, I.A.3/2024 stands rejected.

31. I answer the above points as under:-

32. **Answer to Point No.1: Whether a unilateral declaration could have been executed by a person and registered in Book-1 by a Sub-Registrar?**

**AND**

33. **Answer to Point No.2: Whether a unilateral cancellation agreement could be executed and registered by a party, not party to the registered document and be registered by a Sub-Registrar?**



33.1. From the documents which have been produced and as referred to by Mr. Arjun Rao, learned counsel for the petitioner, it is clear that the Deed of Declaration has about 58 pages executed only by Dr. K. Senthilnathan, whose details are found at Page No. 1; from Page No. 2 to Page No. 41, there are extracts of various judgments and in Page 42, a claim has been made by Dr. Senthilnathan that he is the owner of the immovable property and the details of his purchase have been given; at Page No. 46, it is claimed that he has cleared the loans of IOB and No Due Certificate has been issued by IOB and alleging that there is collusion between IOB and ARCIL in executing various documents. Dr. Senthilnathan is alleged to have filed various complaints and at Page No. 55, he has on his own unilaterally declared that ARCIL has played fraud, practiced coercion and suppressed before the Courts various aspects and it is this



document which has been registered as document No.4706 on 03.10.2016 in Book-1 and stored in CD No.PNYD 647.

33.2.As regards Deed of Cancellation, it is seen in that in a similar manner the said document runs into 58 pages; page 1 gives the details of Dr.Sentilnathan, Page No.2 to Page No.41 are repetition of the extracts of the judgments, ownership and claim of Dr.Sentilnathan has been detailed out from Page No.42 to Page No.46 and thereafter, allegations have been made against IOB and ARCIL and consequently, alleging that there is fraud played and he has declared that the assignment dated 31.08.2010, executed and registered as document No.3413/2010-11, in Book-1, registered on 21.10.2010, in the office of the Sub-Registrar, Annanagar, Chennai is null and void.



33.3.I have seen these documents, it is shocking that such documents have even been allowed to be registered by the Senior Sub-Registrar, Peenya.

33.4.Before registering any document, the said document would have to be perused, examined and ascertained if the requirement of the Indian Registration Act, 1908 and the requirement of the Karnataka Registration Rules, 1965 are complied with or not. It is not that any document placed before the Sub-registrar will be registered blindly. It is only if compliance is made of the requirement of the Act and Rules that the document will proceed for registration. A Sub-Registrar could not have allowed registration of a document which has nearly 40 pages of extracts of judgments and has been unilaterally made by one person. Any document to be registered in Book 1 is required to be related to the title of the property, an



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

unilateral declaration made by Dr.Senthilnathan could not have been registered in Book-1. A unilateral declaration has been made by him that he has cleared the loans of IOB and No Due Certificate has been issued by IOB, there is no law which permits such a declaration in Book 1. A declaration has been made that there is collusion between IOB and ARCIL in executing various documents which is a self-serving statement which again could not be registered in Book 1. Again a unilateral declaration has been made that ARCIL has played fraud, practised coercion and suppressed before the Courts various aspects if at all there is any grievance it was for Sridevi or Dr Senthilnathan to have agitated the same before a court of competent jurisdiction. Any document which is registered by a sub-registrar in Book 1 would also be reflected in the encumbrance certificate and there credibility attached to such a



registered document. The manner in which the registration of such a declaratory affidavit in Book 1 has been made clearly and categorically indicates collusion between Dr. Senthilnathan and the sub-registrar, the actions on part of the sub-registrar are beyond his official powers and the said document has been registered contrary to the applicable law.

33.5. The unilateral cancellation of the Assignment Agreement between IOB and ARCIL could not also have been registered in Book-1 finding an entry in the encumbrance certificate and based on the same, the Sub-Registrar could not have held that the title of Dr. Senthilnathan and/or Sridevi was clear and marketable, for the same reasons aforesaid. A document can be cancelled by parties to the document and not by unilaterally registering and cancellation deed. If a document is registered it can be cancelled by the parties to the said document registering a



cancellation deed to by obtaining a decree from a competent court cancelling the agreement. In this case an unregistered Agreement between IOB and Arcil is cancelled by Dr. Senthilanathan, when he is not even a party to the said agreement, the least that a sub-registrar is required to do is to verify the parties to the document, which has also not been done.

33.6.The Sub-Registrar, it is clear has acted beyond his powers and, in fact, has abdicated all his duties while registering both the above documents, it is therefore required that an enquiry is held in this regard.

33.7.A document can be cancelled either by an order of the Court or by all the parties coming together and executing a document, so long as no further document has been executed in furtherance thereof.



33.8.Thus, I answer Point No.1 by holding that a unilateral declaration could not have been executed by a person and registered in Book-1 by a Sub-Registrar.

33.9.I answer Point No.2 by holding that a unilateral cancellation agreement could not be executed and registered by a party who is not a party to a document, let alone be registered by a Sub-Registrar.

34. **Answer to Point No.3: Whether a Sub-Registrar could impound any document without giving notice to a party to the said document on the basis of a complaint filed by a third party?**

34.1.The Sub-Registrar, as could be seen, has acted on a complaint filed by a third party called as Anti-Corruption Council of India in passing an order dated 28.02.2015, thereby impounding the document being titled as Resolution Plan and Broad Terms and Conditions executed by ARCIL, Sridevi and the guarantors.



34.2. Mr. T. Gopalakrishna, the Senior Sub-Registrar in his order dated 28.02.2015 has referred to the tenor and contents of the instruments and has come to a conclusion that the same involves evasion of proper stamp duty under several articles of the schedule to the Karnataka Stamp Act, 1957. Before doing so, the said Senior Sub-Registrar has not issued any notice to ARCIL or the debtors, namely Sridevi and the guarantors.

34.3. A copy of the said order is also marked only to the Anti-Corruption Council of India and not to ARCIL, Sridevi and/or the guarantors even though ARCIL and IOB's names have been mentioned in the said letter. An order of impounding could not have been passed without in this case having issued a notice to the parties to the document. It is not clear as to who this Anti-Corruption Council of India is, who has submitted such a complaint to the



Senior Sub-Registrar, resulting in the Senior Sub-Registrar passing such an illegal order on 28.02.2015. It would therefore be required that the necessary enquiry be made in this regard also.

34.4. In that view of the matter, I answer Point No.3 by holding, that the Sub-Registrar could not have impounded any document without giving notice, to a party to the said document on the basis of a complaint said to have been submitted by a third party to the document.

35. **Answer to Point No.4: What order?**

35.1. Though this Court normally would not entertain or pass orders cancelling any document in a writ petition, the manner in which the Sub-Registrar, Sridevi, Dr.Senthilnathan, Smt.Devi have acted in registering the documents which could never have been registered requires this Court to exercise its extraordinary powers and



extraordinary jurisdiction to come to the rescue of the petitioner who has been deprived of exercising its rights on account of illegal actions of Sridevi, Dr.Senthilnathan, Smt.Devi and Anti Corruption Council of India and more particularly the sub-registrar.

35.2.The manner in which the documents have been executed and registered, shocks the conscience of this court and this court cannot close its eyes to the above illegalities and be rendered a mute spectator to the illegalities committed by the above persons, much less on the technical plea that ARCIL needs to approach the Civil Court. The plea of an alternate efficacious remedy is a specious plea raised in the present matter by Sridevi and Dr Senthilnathan, to continue to perpetuate illegalities, such actions on their part cannot be allowed by this court, in the face of the above facts, there is a duty imposed on



this court to strike down such blatant illegalities.

35.3.As indicated in my answers to Points No.1, 2 and 3, the said documents could never have been registered nor an impounding order could be passed. It is for this reason that enquiry is also being ordered in relation thereto.

35.4.Such being the case, this Court cannot close its eyes to the illegalities committed by Sridevi, Dr.Senthilnathan, Smt.Devi and Anti-Corruption Council of India. If the said documents were permitted to continue on record, gross injustice would be caused to the petitioner and the illegalities committed would result in a premium to the violators since they would have succeeded in depriving the ARCIL of the Security that ARCIL enjoys. Hence, taking into consideration the entire gamut facts of law applicable and the manner in which Sridevi, Dr.Senthilnathan, Smt.Devi, Anti-Corruption



Council of India have conducted themselves in collusion with Sub-Registrar, Peenya.

35.5. The manner in which Sridevi Hospital and Dr.Senthilnathan have acted indicates a clear case of gross abuse of process of Court. The said Sridevi Hospital and Dr.Senthilnathan have apparently come to a conclusion that they can execute any documents, file any pleadings, file any suit and get away with it. This Court as aforesaid cannot be mute spectator to such gross abuse resorted to by Sridevi and Dr.Senthilnathan. If this Court in the present case does not intercede then any litigant will indulge in such gross abuse of process of Court as also indulge in such execution of illegal documents and it is therefore required that this Court to preserve the majesty of justice as also prevent the abuse of process of Court intercedes in the present matter. When Writ Petitions have been filed challenging the said



documents, Sridevi Hospital and Dr.Senthilnathan have filed suits in O.S.No.8433/2023 and O.S.No.8167/2024 to enforce a Deed of Declaration, Deed of Cancellation and impounding of the documents and relying on the same, it is sought to be contended that ARCIL has to be relegated to the said suit and the Writ Petitions have to be dismissed. This again is a over reach of the judicial proceedings resorted to by Sridevi Hospital and Dr.Senthilnathan.

35.6.In view of my above findings, I pass the following:

**ORDER**

- i) W.P.No.28962/2015 is allowed, a certiorari is issued, Impugned Letter bearing No.SRO/Peenya/1203/ 2014-15 vide Annexure-J dated 28.2.2015 issued by the Senior Sub Registrar, Peenya Bangalore is quashed.
- ii) W.P.No.9193/2017 is allowed, a certiorari is issued, Impugned Deed of Cancellation



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

dated 03.10.2016 registered vide Document No.4707/2016-17 in Book-I in the office of the Sub-Registrar, Peenya, Bangalore and the Deed of Declaration dated 03.10.2016 registered vide Document No.4706/2016-17 Book-I in office of the Sub-Registrar, Peenya, produced as Annexures-O and P, respectively, are quashed. The Sub-Registrar, Peenya, is directed to make necessary entries as regards the cancellation of the aforesaid two documents in the register maintained by him.

- iii) W.P.No.9578/2017 is allowed, a certiorari is issued, the registration by the Senior Sub-registrar, Peenya, Bangalore of the impugned Gift Deed executed by Respondent No.4 in favour of Respondent No.5 dated 30<sup>th</sup> September 2014 vide Document No.554/14-15 and all subsequent transactions thereafter vide Annexure-P is quashed. The Sub-Registrar, Peenya, is directed to make necessary entries as regards the cancellation in the register maintained by him.
- iv) The Commissioner of Stamps and Inspector General of Registration is directed to cause an inquiry into the manner in which the Sub-Registrar, Peenya has impounded the document, registered the Deed of Cancellation dated 03.10.2016 vide Document No.4707/2016-17 in Book-I in the office of the Sub-Registrar, Peenya, Bangalore and the Deed of Declaration dated 03.10.2016



**NC: 2024:KHC:53360**  
**WP No. 28962 of 2015**  
**C/W WP No. 9193 of 2017**  
**WP No. 9578 of 2017**

registered vide Document No.4706/2016-17 Book-I in office of the Sub-Registrar, Peenya, and has also acted on the complaint filed by Anti-Corruption Council of India and take necessary action against the Sub-Registrar and Anti-Corruption Council of India after due enquiry, which shall be preceded by issuing due notice and following all the applicable procedures relating thereto. He is also at liberty to file criminal complaints against Sridevi, Dr.Senthilnathan, Smt.Devi, Anti-Corruption Council of India, sub- registrar as also any other person or entity if found to be involved in any illegal acts.

- v) A report relating to the above to be placed on the record of this Court within three months from today.
- vi) Though the above petition is disposed of, relist on **08.04.2025** for reporting compliance.

**Sd/-**  
**(SURAJ GOVINDARAJ)**  
**JUDGE**

PRS  
List No.: 1 Sl No.: 42