



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF JULY, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 32711 OF 2024 (GM-CPC)

BETWEEN:

1. K.N.SHUBHASHREE
AGED ABOUT 54 YEARS
W/O CHANDRASHEKAR K.P.
R/O NO.17/1 "SHRINIDI NILAYA"
1ST MAIN, 10TH STREET
DEVASANDRA
NEAR BBMP CONTACT POINT
K.R.PURA, BENGALURU - 560 036.
2. N. VIDYASHREE
AGED ABOUT 49 YEARS
W/O M. KRISHNA
NO.30, "MOUDGALYA"
3RD MAIN, 4TH CROSS
BASAVANAPURA MAIN ROAD
GAYATHRI EXTENSION
DEVASANDRA, K.R. PURA
BENGALURU - 560 036.

...PETITIONERS

(BY SMT. DEEPASHREE., ADVOCATE)

AND:

1. MR. DATTATREYA C.S.
AGED ABOUT 59 YEARS
S/O SUBBA RAO
9/1 GROUND FLOOR, YASHASWINI
BETWEEN 6TH AND 7TH CROSS
6TH MAIN, MALLESHWARAM
BENGALURU - 560 003.

Digitally
signed by
SUVARNA T
Location:
HIGH COURT
OF
KARNATAKA



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

2. MRS. SHASHIKALA
AGED ABOUT 54 YEARS
W/O DATTATREYA C.S.
9/1 GROUND FLOOR, YASHASWINI
BETWEEN 6TH AND 7TH CROSS
6TH MAIN, MALLESHWARAM
BENGALURU - 560 003.

...RESPONDENTS

(BY SRI V.B.RAVISHANKAR., ADVOCATE FOR R2;
R1 IS SERVED)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDERS PASSED BY THE HON'BLE CITY CIVIL COURT (CCH-30) IN O.S.NO.4466/2018 DATED 01.10.2024 MARKED AS ANNEXURE-L TO THE EXTENT OF ADMITTING THE AGREEMENT OF SALE DATED 14.02.2024 FOR COLLATERAL PURPOSES AND NOT CONSIDERING THE REQUIREMENT OF REGISTRATION OF THE SAME BY ISSUING A WRIT OF CERTIORARI OR ANY OTHER WRIT OF LIKE NATURE AND ETC.,

THIS WRIT PETITION HAVING BEEN HEARD AND RESERVED ON 01.07.2026, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE COURT PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

CAV ORDER

Aggrieved by the orders passed on the admissibility of the Agreement of Sale dated 14.02.2014 in O.S.No.4466/2018 by the 29th Additional City Civil and Session Judge, Bangalore (CCH-30) dated 01.10.2024, the plaintiff is before this Court.

2. The plaintiff herein has filed a suit for ejectment of the defendant/respondent from the suit schedule property and for arrears of rent and mesne profits. In that regard, the defendants have relied upon an Agreement of Sale dated 14.02.2014. Pursuant to the said agreement, possession of the "A" schedule property has been delivered to them. They have been in possession and enjoyment of the suit "A" schedule property as agreement holders. In that regard, the defendants have produced the unregistered Agreement of Sale dated 14.02.2014. According to the plaintiff, the said document was not duly stamped and was not registered. As such, the said document cannot be admitted.

3. According to the defendants, for collateral purposes to show, that they are in possession of the property they want to mark the document. The trial Court, by the impugned order,



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

has directed the document to be impounded. The trial Court has observed that a document which is required to be registered, if it is not, cannot be admissible in evidence. However, it can be used as evidence for a collateral purpose as provided in the proviso to Section 49 of the Registration Act. If the document is not duly stamped, it has to be impounded. If the stamp duty and penalty were paid, it can be considered for collateral purposes. The trial Court held that, admittedly, the alleged agreement of sale dated 14.02.2014 was not duly stamped and registered. Despite the defendant's intent to produce the agreement of sale dated 14.02.2014 for collateral purposes, in view of the ratio laid down in the decisions of ***Yellappu Uma Maheshwari and Ors Vs. Buddha Jagadheeswarao and Ors***¹, without payment of duty and penalty, the document cannot be considered for collateral purposes. Defendant No.2 is liable to pay stamp duty as per Article-20 of the Karnataka Stamp Act on the Agreement of Sale dated 14.02.2014. Hence, it is just and proper to impound the document of sale dated 14.02.2014 and to direct Defendant No.2 to pay the duty and penalty on the Agreement of Sale

¹ (2015) 16 SCC 787



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

dated 14.02.2014. If Defendant No.2 has paid the said duty and penalty, it can be looked into for collateral purposes, and accordingly, the trial Court passed the order. Aggrieved thereby, the plaintiff is before this Court.

4. Learned counsel appearing for the plaintiff submits that the unregistered document cannot be considered for collateral purposes, and this aspect was not considered by the trial court. It is submitted that, even to consider a document for collateral purposes under the proviso to Section 49 of the Registration Act, the document has to be registered. The said document has to be registered under Section 17 of the Registration Act. The trial court has not taken into consideration the judgment of the Apex Court cited by the petitioners in the case of ***K.B.Saha and Sons Pvt. Ltd Vs. Development Consultant Ltd.***² and also the case of ***Paul Rubber Industries Pvt. Ltd Vs. Amit Chand Mitra and Ors.***³ It is submitted that the trial court has refused to consider that the document is inadmissible evidence on the point of registration, that none of its terms can be admitted in evidence,

² (2008) 8 SCC 564

³ AIR 2023 SC 4658



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

and that using an important clause would not be for a collateral purpose. It is submitted that the trial court has failed to consider all these aspects and has admitted the document, stating that it has to be impounded. Learned counsel has relied on the Judgment of the Apex Court in the case of **K.B.Saha and Sons** referred supra had relied on paragraph No.21 which reads thus:

"21. From the principles laid down in the various decisions of this Court and the High Courts, as referred to hereinabove, it is evident that :-

- 1. A document required to be registered is not admissible into evidence under Section 49 of the Registration Act.***
- 2. Such unregistered document can however be used as an evidence of collateral purpose as provided in the Proviso to Section 49 of the Registration Act.***
- 3. A collateral transaction must be independent of, or divisible from, the transaction to effect which the law required registration.***
- 4. A collateral transaction must be a transaction not itself required to be effected by a registered document, that is, a transaction creating, etc. any right, title or interest in immoveable property of the value of one hundred rupees and upwards.***
- 5. If a document is inadmissible in evidence for want of registration, none of its terms can be admitted in evidence and that to use a document for the purpose of proving an important clause would not be using it as a collateral purpose."***



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

She relied on a judgment of the Bombay High Court in the case of ***Shabbir Ahmad S. Khan Vs. Abdul Hameed Khan Matawan***⁴ and relied on paragraph No.10 which reads thus:

"10. It is not in dispute that document of which impounding was ordered vide impugned order is an unregistered document which is titled as Kharedikhat by which possession is allegedly transferred. Once the possession was transferred, it was necessary to compulsorily register the document under Section 17 of the Registration Act."

Relying on these judgments, learned counsel submits that the trial court has failed to consider the objections and without any basis admitted the document.

5. The notice is served on Respondent No.1, but no vakalth is filed on his behalf.

6. Learned counsel appearing for Respondent No.2 submits that the trial court has rightly considered that, if the document is properly stamped, it can be looked into for a collateral purpose and rightly passed the order. The learned

⁴ AIR Online 2021 Bom 266



counsel further submits that there are no grounds to interfere with the well-considered order passed by the court.

7. Having heard the learned counsels on either side and perused the material on record, the contention raised on behalf of the petitioner is that an Agreement of Sale, which is unregistered and unstamped, is not admissible in evidence. The trial court has considered the issue of stamp duty. According to the learned counsel for the petitioner, if the document is not registered, it cannot be admitted even for collateral purposes. The distinction between admissibility under the Registration Act and admissibility under the Stamp Act has been consistently recognised by the Courts. The Registration Act deals with compulsory registerable documents and permits an unregistered document affecting immovable property to be received in evidence for a limited collateral purpose, subject to the restrictions contained in Section 49 of the Act. The Stamp Act operates in an entirely different field. The liability to pay stamp duty is determined by the nature, tenor, and legal effect of the instrument, not by the object for which it is produced in court. The moment an instrument chargeable with duty is



CNR: KAHC010696672024

produced before a Court, Section 33 of the Karnataka Stamp Act obligates the Court to examine whether it is duly stamped. If it is not, the Court has no discretion except to impound it. Thus, the doctrine of collateral purpose is relevant when considering the bar contained in Section 49 of the Registration Act. It has no application when determining the chargeability of an instrument under the Stamp Act. A document chargeable with duty does not become exempt merely because a party proposes to rely on one recital alone or for limited evidentiary value. Under the Karnataka Stamp Act, an agreement relating to the sale of immovable property, coupled with delivery of possession or evidencing delivery of possession in part performance, attracts stamp duty as prescribed under Article 20 of the Karnataka Stamp Act. The legal character of the instrument is determined from its contents, not from the limited purpose for which it is rendered in evidence. If the petitioners' contention were to be accepted, every party could avoid payment of proper stamp duty by asserting that the document raised is only to prove possession, relationship between the parties, or some other incidental circumstances;



CNR: KAHC010696672024

**NC: 2026:KHC:39133
WP No. 32711 of 2024**

such an interpretation would defeat the very scheme of the Stamp Act.

8. The admissibility of an unregistered document is governed by Section 49 of the Registration Act, 1908. Whether such a document can be looked into for a collateral purpose arises only after the document satisfies the requirement of stamp duty. An instrument that is not duly stamped cannot be admitted in evidence or accepted merely because it is sought to be used for a collateral purpose. The bar under the Stamp Act has to be removed first by following the statutory procedure of impounding on payment of the requisite duty and penalty. Therefore, the trial Court was justified in first examining the nature of the instrument. Having found that the agreement of sale recitals contain delivery of possession, the trial Court held that it attracts Article 20 of the Karnataka Stamp Act. The trial Court has rightly exercised discretion while passing the order of impounding. The Apex Court has repeatedly held that the Stamp Act is a fiscal enactment and its provisions are mandatory, and an instrument not duly stamped cannot be admitted in evidence or acted upon unless the statutory



CNR: KAHC010696672024

requirements regarding payment of duty and penalty are first complied with. The direction to impound the document under Section 33 of the Karnataka Stamp Act is merely a statutory consequence and does not suffer from any jurisdictional error. The Agreement of Sale dated 14.02.2014, though admittedly unregistered, is not sought to be relied upon for enforcing the contract of sale or for establishing title over the suit property. The defendant seeks to produce a document only to explain the origin and nature of their possession and to rebut the plaintiff's assertion that they are liable to be evicted as tenants or authorised occupants. Such use of the document does not amount to enforcing or proving the transfer of any right, title or interest in the immovable property. By virtue of the proviso to Section 49 of the Registration Act, a registered document affecting immovable property may be received in evidence for a collateral transaction not required to be affected by a registered instrument. The character or nature of possession is a collateral purpose distinct from the creation or convenience of title. Consequently, subject to compliance with the provisions of the Karnataka Stamp Act regarding payment of the requisite stamp



CNR: KAHC010696672024

NC: 2026:KHC:39133
WP No. 32711 of 2024

duty and penalty, the trial Court has rightly held that the document can be looked into for a collateral purpose, and even on that count, this Court does not find any reason to interfere with the order. Accordingly, this court is passing the following:

ORDER

- i. The writ petition is ***dismissed.***
- ii. Pending I.As in this petition shall stand closed.

SD/-
(LALITHA KANNEGANTI)
JUDGE

TS
List No.: 1 Sl No.: 2