IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11 / 07 /2014

CORAM

THE HONOURABLE MR.JUSTICE C.S.KARNAN

W.P.No.16499 of 2014 &
M.P.Nos.1 and 2 of 2014

1.R.Raghunandan
2.A.R.Lakshmi ... Petitioners

Vs.

1.The Inspector General of Registration,
100, Santhome High Road,
Mylapore, Chennai - 4.

2.The Sub-Registrar,
Office of the Sub-Registrar,
Anna Nagar, Chennai.

3.M/s.Ozone Projects Private Limited,
Rep. by its Managing Director,
S.Vasudevan,
Old No.32, New No.63,
G.N.Chetty Road, T.Nagar,
Chennai - 600 017.

4.The Member Secretary,
Chennai Metropolitan Development Authority,
Thalamuthu Natarajan Maaligai,
Egmore, Chennai - 600 008. ... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for a Writ of Mandamus, to direct the first respondent to complete the investigation as advised / reported by him in his order of investigation dated 03.02.2012, Ref.No.54720/R/3/2011 and submit his report of investigation to this Court, within the time as stipulated by this Court.

For Petitioners : Mr.G.Veerapathiran
For Respondents : Mr.T.N.Rajagopalan
Special Government Pleader for R1 & R2

Mr.R.Krishnamoorthy, Senior Counsel
& Mr.R.Swaminathan for R3

Mr.R.Karthikeyan (CMDA) for R4

O R D E R

The brief history of the case are as follows:-

The first petitioner submits that he is a Senior Fellow Member of Chartered Accountants of India, belonging to a philanthropic family. The second petitioner is none other than his mother. He further stated that he has been deprived of his family property, which is the subject matter of the above case and his lawful property has been taken in a manner, which is neither based on facts nor borne out through valid records. Further, the prayer sought in the writ petition will be fully supported by various Courts orders, both High Court and Company Law Board, pertaining to 42 acres afflicted by Urban Land Ceiling between 1975-1999 at Anna Nagar registered by the third respondent herein, viz., M/s.Ozone Projects Private Limited, in the month of March 2006, creating multiplicity of proceedings, contempt of Courts, violation of Court orders, furnishing wrong legal opinions to Banks, Financial Institutions, borrowing exceeding Rs.500 Crores or more and public investments estimated to be Rs.10,000/- Crores as reported in all leading dailies. The writ petitioners further state that complaints regarding the above were already submitted to the Investigating Bodies / Agencies like the respondents 1, 2 and 4, viz., the Inspector General of Registration, Chennai, The Sub-Registrar, Anna Nagar, Chennai and the Member Secretary, who is attached to Chennai Metropolitan Development Authority, Chennai, wherein action was sought for immediately, failing which public investments of Rs.10,000/- Crores are more likely to be jeopardized by willful wrong submission of the title pertaining to the subject property besides suppression of various Court orders deliberately sidelined and not disclosed in order to mislead the Revenue Authorities, Investigating Agencies and Judicial forums.

2. The first petitioner additionally added that it is his constitutional duty to assist in Revenue / Statutory Investigations of Revenue Document of Title pertaining to development of site / construction and sale of plots where public investment exceed Rs.10,000 Crores (as per leading News Paper reports) and Banks / Financial Institutions exposure exceeds Rs.500 Crores. The Chennai Metropolitan Development Authority Officials / Inspector General of Registration even sent him notice to assist them in their efforts to unearth real issues to exercise his fiduciary duty. Further, the land of 42 acres of subject property, afflicted by Urban Land Ceiling between 1975-1999, is owned by a closely held Company, viz., M/s.Sri Krishna Tiles and Potteries (Madras) Pvt. Limited and founded by his grandfather Late A.K.Ranganatham and he, his mother and his family are joint owners / shareholders / family members of the said property. The first petitioner submits that the land was deprived from them and illegally registered in a manner not known to law and the subject matter is now pending in various

Courts. It was submitted that based on the legal opinions furnished by the two lawyers of the third respondent, several banks have funded for the said property. It was submitted that a letter was sent to the Inspector General of Registration and they also communicated order of investigation on alleged land grabbing / fraudulent deals made in the said matter.

3. The first petitioner additionally submits that the first respondent / Inspector General of Registration, in his communication dated 03.02.2012 to him had ordered investigation on the subject matter of the property now under this writ petition for land grabbing complaint of furnishing fraudulent document on the subject matter with the second respondent herein / The Sub-Registrar, Anna Nagar, Chennai, on the Survey Nos.229/2, 230/5 and 230/7 for fraudulent registration and to institute appropriate action. Now, the petitioner places before this Court several Court orders with chronological events of diabolical fraud committed with explanatory statements and additional typed-set index clearly to form an unassailable conclusion of the nature of fraud committed not only on him and his family, but also on banks, financial Institutions/Public at large, where investments exceeds Rs.10,000 Crores or more and wrong legal opinions were deliberately furnished in order to mislead all the above mentioned parties to perpetrate and commit a premeditated fraud. The above matter has already been furnished to the first respondent herein/ Inspector General of Registration, for necessary action, but he has not taken any action as contemplated by law. Hence, the writ petitioners are seeking direction to complete the investigation of serious fraud committed by the third respondent herein and stay and not to operate past registration and future registrations pertaining to the property to prevent a mass scale fraud on the public and the Banks and to prevent creating of multiplicity proceedings as it might result in law and order problem, pending disposal of the investigation by the first respondent herein within the time frame stipulated by this Court.

4. The first petitioner additionally stated that in the Court order pertaining to Land Acquisition Case Nos.207 and 422 of 1965, it has been clearly stated that "family members hold major shares in the closely held family company, viz., M/s.Sri Krishna Tiles and Potteries Madras (P) Limited, Chennai. It was further stated that the sellers and purchases in respect of the said transactions are the same. Even though, the Company owned the land, only family members received compensation as per award, but the contrary to this basic formation object of "family company" sale to Ozone Projects (P) Ltd., in March 2006, rests on the plea / contention that the property belonged to the Company, which is not only contrary to this order, but violative of the Memorandum/Articles of the Company defeating the very objects of the Company, for which it was formed. The affidavit given by the

family members of the petitioner and "award" obtained in favour of individual family members, in spite of property owned by this closely held company, contradicts the sale deed 980 and 981 of 2006, executed in favour of M/s.Ozone Projects (P) Ltd., and registered with Sub Registrar Office, Anna Nagar, Chennai. As such, the said sale deed is not valid.

5. The first petitioner further submits that during the year 1976 the family members registered nearly 2 acres of land in favour of M/s.Bharat Petroleum Corporation Limited when the urban land ceiling was in force. The urban land ceiling laws was circumvented by the Income Tax Auction depriving the Government of Tamil Nadu the right of ownership under the urban land ceiling law. The said alienation had been registered on the file of the second respondent. In spite of several Court orders during that period the vendors sold some portion in 1983 to Indian Overseas Bank and the vendor executed the sale deed to the Indian Overseas Bank. By giving a confession statement of fraudulent sale by elucidation by sale deed and partition deed executed in the year 1971 and 1972, forming part of a parallel document, and by violating urban land ceiling law, the property was sold to Indian Overseas Bank. Further, the petitioner stated that the fraudulent document should form part of the investigation by the first respondent herein. Regarding this forgery, a criminal case has been levelled in C.C.No.950 of 2003, on the file of Metropolitan Magistrate, Saidapet. The minority share holder of the company, viz., A.S.Muthuswamy and A.S.Anantharaman colluded with other major shareholders and created forged documents over the said property in favour of the third respondent herein. After initiating land acquisition proceedings for acquiring surplus land under the Urban Land Ceiling Act, the alienation of the property continuously went on till 19.12.1983. Mrs.A.Lakshmi, Mr.A.S.Muthuswamy and Mr.Anantharaman had sold the property to and in favour of Indian Overseas Bank under Document bearing Nos.4153/1983, 4154/1983, 4155/1983, to and in favour of Indian Overseas Bank. Subsequently, Indian Overseas Bank under Document bearing No.336 of 2005 sold and extent of 46 cents in S.No.230/7A to Mrs.Uma Pandian. Thereafter, the said Uma Pandian sold 46 cents of land in S.No.230/7A to .M/s.Ozone Projects Private Limited.

6. The first petitioner further submits that on the strength of erroneous legal opinion given by the learned counsels, the properties have been registered in the name of the third respondent herein. Hence, the petitioner levelled a complaint dated 03.02.2012 to the first respondent herein stating that forged sale deeds were registered on the file of Sub Registrar, Anna Nagar and that his lands were grabbed on the strength of forged documents pertaining to the properties situated in Survey Nos. 229/2, 230/5 and 230/7, situated in Thirumangalam Village. After receipt of the said complaint, the first respondent had referred the complaint to

the District Registrar (Administration) Chennai Central and directed him to take necessary action forthwith. Thereafter, the District Registrar (Administration) had not proceeded with the said complaint. Hence, the above writ petition has been filed for a direction to the first respondent to complete the investigation as directed by him in his reference No.54720/R/3/2011 within a stipulated period.

7. The second respondent / Sub Registrar has filed a counter statement and resisted the above mentioned writ petition. The second respondent stated that the petitioner has preferred a complaint dated 10.11.2011 to the first respondent alleging irregularities in the registration of documents by the third respondent herein. The first respondent has forwarded the said complaint of the petitioner to the District Registrar, Chennai Central, to conduct an enquiry in accordance with the circular issued by the first respondent under No.67, dated 03.11.2011. As the circular No.67, dated 03.11.2011 issued by the first respondent has been stayed by this Court, by an order dated 26.09.2012 made in M.P.No.1 of 2012 in W.P.Nos.26019 to 26021 of 2012, the enquiry has not commenced. When the circular empowering the District Registrar (Administration) to conduct an enquiry on all complaints of fraudulent registration through impersonation or production of false documents has been stayed by this Court, the enquiry cannot be proceeded with further. Consequently, the writ of mandamus cannot be granted as prayed by the petitioner. However, the first respondent has not refused to conduct the enquiry.

8. The second respondent additionally stated that the petitioner has filed civil suit in C.S.No.480 of 2008, now transferred to O.S.No.1853 of 2013 and besides this the various allegations levelled against the statutory authorities could not be dealt with under Article 226 of the Constitution of India. Furthermore, the document Nos.981 and 982 of 2006 have been registered to and in favour of the third respondent herein, on the file of this respondent herein. The said two documents have been duly registered in accordance with the provisions contained in the Registration Act, 1908 and the rules made thereunder. Therefore, the first respondent is not in any way connected with any of the averments contained in the affidavit. Hence, the second respondent entreats the Court to dismiss the above writ petition.

9. The third respondent, viz., M/s.Ozone Projects Private Limited, has filed a counter statement and resisted the above writ petition. The third respondent submits that the petitioners prayer in the writ petition is not maintainable in law and on the facts of the case. The third respondent additionally added that the Rule 55 of Tamil Nadu Registration Rules has specifically prohibited the registering authority from investigating or enquiring into title issues of the property sought to be registered or about the right

of the party to execute the document. Due to such a statutory bar, it is not open to the respondents 1 and 2 to look into the issue relating to the title of the property, which was the subject matter of the sale deeds presented for registration on 02.03.2006, the said Rule is extracted hereunder:-

> "Rule 55 - It forms no part of a registering officer's duty to enquire into the validity of a document brought to him for registration or to attend to any written or verbal protest against the registration of a document based on the ground that the executing party had no right to execute the document; but he is bound to consider objections raised on any of the grounds stated below:-
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> a. that the parties appearing or about to appear before him are not the persons they profess to be;
>
> b. that the document is forged;
>
> c. that the person appearing as a representative, assign or agent, has no right to appear in that capacity;
>
> d. that the executing party is not really dead, as alleged by the party applying for registration; or
>
> e. that the executing party is a minor or an idiot or a lunatic."

On account of such a statutory bar, the proceedings of the first respondent, in forwarding the representation of the petitioner, to the second respondent itself is unlawful and cannot be acted upon. While that being so, seeking for a direction, compelling the first respondent further to investigate title is not sustainable in law and is liable to be rejected.

10. The third respondent additionally submits that the petitioner had filed a suit in C.S.NO.490 of 2008 before the High Court, which is now transferred to City Civil Court and sought for injunction restraining the third respondent from dealing with the subject property. The Court, after a detailed hearing of both sides, dismissed the injunction application holding that the shareholder of a company has no rights over the assets of the company and decision taken by the Board is binding on the shareholder. Against the dismissal of the said application, no appeal has been filed. As such, the order has become final. Hence, the petitioner is trying to achieve indirectly what could not be achieved by filing the suit. As such, the conduct of the petitioner amounts to abuse of the process of law. The petitioner has been repeatedly spreading misleading false information about the Project "Metrozone" being developed by the third respondent herein, to customers and Statutory Authorities, thereby causing huge loss of reputation and business loss to the third respondent. The third respondent, filed an application in O.A.No.1 of 2012 in

C.S.No.626 of 2009, seeking an injunction restraining the petitioner herein in any manner communicating with the Bankers, investors, customers and statutory authorities questioning the right, title and interest of the applicant / plaintiff and relating to the project named as "Metrozone" which is being developed by the plaintiff into a Township, pending disposal of the above suit. By an order dated 14th February 2012, this Court was pleased to grant an injunction as prayed for. Though an appeal has been preferred, no stay has been granted and hence, the order is binding and operative on the writ petitioner.

11. The third respondent further added that when Civil Courts have been seized of the matter and denied the reliefs sought for by the petitioner, the petitioner cannot approach Statutory Authorities to indirectly obtain what was denied by Civil Courts. While the issue is pending before the Competent Civil Court, it is not open to the petitioner or to the Statutory Authorities to enquire into the same, as it is sub-judice, especially when the Court has rejected the request of the petitioner to restrain / prohibit the third respondent from dealing with the subject property. Hence, on the preliminary objections raised on the maintainability of the above writ petition and in view of the statutory bar, this respondent craves leave of this Court to dismiss the above writ petition with exemplary cost. However, to satisfy this Court that even on merits, the petitioner has no case, the respondent has filed a detailed counter denying each of the allegations made by the petitioner.

12. The third respondent further craves the Court not to traverse the claims made by the deponent of the affidavit under reply as his qualifications and family reputation as put-forth in paragraph No.2 of the affidavit under reply are not relevant for the purposes of the present proceedings. It is submitted that the vague and bald averments in paragraph No.3 of the affidavit under reply, as if he is a pro bono publico in so far as the lands and enforcement of the law relating to are concerned, are denied and the further averments would neither disclose his interest in the property nor would disclose any public interest, except the vindictive attitude of the deponent of the affidavit under reply. It is submitted that the petitioners are to restrict their claim as to whether it is their constitutional duty or a private fiduciary one as put-forth in vague terms in paragraph Nos.4 and 7 of the affidavit under reply. If the petitioners are to claim that the repealed Urban Land Ceiling are to be enforced or application of the above law to the properties of the company to be re-appreciated, the respondents 1, 2 and 4 are not proper parties and as such, the present writ petition is liable to be dismissed in limini. The third respondent further submits that he does not to respond the particulars as to value of business done, though the deponent of the affidavit under reply professes to be an investment

banker and a Chartered Accountant of great reputation and standing.

13. The third respondent further added that even though the affidavit under reply commences as if the present proceeding is in public spirit for enforcing the provisions of the Urban Land Ceiling Act, the same is privately ill-will litigation intended to harass this respondent. The affidavit under reply is devoid of the particulars of the notices said to have been sent by CMDA / IG Registration seeking his assistance to assist in their purported efforts to unearth the supposed real issues, which according to the writ affidavit is "to exercise his fiduciary duty unless non co-operation to investigations will be given more serious than Technical interpretation of legal issues involved." It is submitted that the averments are vague and bald and it is not clear as to why the authorities named in paragraph No.4 of the affidavit sought the assistance of the first of the writ petitioners. The writ petitioners are put to strict proof of the claims made in the said paragraph of the writ petition. It is pertinent to mention here that for filing false affidavits before the Hon'ble Division Bench, the Institute of Chartered Accountants of India have taken disciplinary proceedings against the first petitioner and prima-facie finding has been reached by the Board of Discipline that the first petitioner is guilty of "Other Misconduct". Hence, this would expose the conduct of the petitioner in filing false affidavits and false claims that Statutory Authorities are seeking his assistance, deliberately drafted to mislead this Court. It is submitted that the petitioners are bound to disclose their claims that their assistance was sought by the officials, failing which such false declarations would amount to perjury and this respondent has been advised to crave leave of this Court to take appropriate action against the petitioner for repeatedly committing perjury.

14. The third respondent further submits that the present proceedings cannot be used to reopen the Urban Land Ceiling Proceedings, which had attained finality almost a decade ago by the orders passed by this Court. Admittedly, the properties are owned by M/s.Sri Krishna Tiles & Potteries (Madras) Private Ltd., a Private Limited Company and the petitioner being a minority share holder, is estopped from claiming title over the assets of the Company and from disputing the legitimate orders obtained by the Company. The various plea on the premises that M/s.Sri Krishna Tiles & Potteries (Madras) Private Ltd., to be treated as a family partnership, is not sustainable in law and on facts of the cases. The various proceedings as to share transfer and share capital reduction have been wrongly quoted. It is submitted that when the company itself puts back its shares, the share capital is reduced and it would not by any stretch confer ownership of the assets of the Company on the share-holders. The company owns the properties and the affairs of the Company are managed by the Board of Directors. The claim that the Private Limited Company should be

treated as partnership is against established principles of law.

15. The third respondent further submits that the allegations in paragraph No.3 of the affidavit under reply that the various orders referred to therein pertains to Land Ceiling Proceedings between 1975 and 1999 are misleading and incorrect. The further accusation in various portion of the affidavit under reply that the sales in favour of this respondent had created "multiplicity of proceedings, contempt of Courts, violation of Court orders furnishing wrong legal opinions to Banks, Financial Institutions, borrowing exceeding Rs.500 Crores or more and public investments estimated to be Rs.10,000 Crores" and "Public investments of Rs.10,000 Crores or more likely to be jeopardized by willful submission of title pertaining to the subject property besides suppression of various Court orders deliberately sidelined and not disclosed to mislead not only the Revenue Authorities but also to the Investigating Agencies, is mischievous besides being false and ill-motivated. The allegation in this regard purporting to seek support of the same seeking news paper reports in all leading dailies is misleading and the petitioners have not submitted the supporting documents and proof of personal verification of the reported material.

16. The third respondent further submits that the writ petitioners have not filed any of the documents they claim to rest their case, though it is stated that it had been filed with the typed-set and additional typed-set. The deponent of the affidavit under reply is put to strict proof of the claims made in this regard. The bald, un-supported, vague allegations attributing motive to the various persons including the lawyers are to be rejected in toto and in limini. It is submitted that the present claim to investigate as given by the first respondent's order was behind the back of this respondent and the same is against the Principles of Natural Justice and is not valid and binding. Hence, the prayer sought for seeking direction to investigate pursuant to the said communication of the first respondent is not sustainable. It is submitted that such an order is violative of the Rule 55 of the Tamil Nadu Registration Rules and would not be covered by the various provisions of Tamil Nadu Registration Act. As such, the respondents 1 and 2 have no legal right to conduct any enquiry, much-less the one, as contained in the communication dated 03.02.2012, said to have been sent to the deponent of the affidavit under reply and also relied upon by the deponent of the affidavit under reply. Therefore, the prayer sought for in the present writ petition fails.

17. The third respondent further submits that the reference to the learned Civil Court order pertaining to subject property Land Acquisition Case Nos.207 and 422 of 1965, claimed to have been forming part of the Additional typed-set has not been

furnished. However, the observation relied upon was that the "Family members hold majority share" is significant as it indicates that it did not own "all shares" thereby indicating that the Company is not wholly owned by the petitioners family and their relatives. The fact that only family members received compensation as per award would not confer any right on the persons as has been held in many cases by the Hon'ble Court. The attempt / claim for comparison of the affidavit given by the family members in the Land Acquisition Proceedings in the year 1965 with the recitals of the sale deeds in favour of this respondent is futile and is without any relevance. It is pertinent to note that the copy of full set of the proceedings relied upon, though said to have been filed in the typed-set, had not been submitted. The deponent of the affidavit under reply is put to strict proof of the claims made by him in this regard. The averments as to ULC proceedings against the company between 1975-1999 as regards its excess land, which was said to have been noted in the copy of the record in the additional typed-set has not been submitted, is denied and the deponent of the affidavit under reply is put to strict proof of the Government order referred to by him.

18. The third respondent further added that the repeated allegations in the various portions of the affidavit under reply that the provisions of erstwhile Urban Land Ceiling Act had been sidelined and failed to be imposed is vague and is devoid of any material particulars. It is pertinent to mention here that C.P.No.2 of 2006 filed by the petitioners before the Company law Board for oppression and mismanagement is still pending and hence, all the rights of the petitioner as a shareholder of the vendor company that sold the property to this respondent is duly protected. Hence, the present proceedings are vexatious and speculative and filed with ulterior motive of harassing the answering respondent. The proceedings initiated by Bar Council of Tamil Nadu based on the complaint lodged by the petitioner against the advocates who rendered opinion for the subject property, has been stayed by this Court and W.P.Nos.18478 and 18479 of 2009 have been reserved for orders. The petitioner has referred to many proceedings that are not germane or relevant to the present proceedings and the petitioners have not given copies of any of such proceedings referred to in their affidavit. Hence, the answering respondent reserves its right to file additional counter once the proceeding are shared by the petitioners.

19. The third respondent further submits that the paragraph No.45 of the Judgment in O.A.Nos.551 and 552 in C.S.No.490 of 2008, passed by this Court is loud and clear that if the plaintiff succeeds in the suit, the first defendant company will get back the suit property with all its value and hence, the petitioner's claim that he is the owner of the property has not been accepted by the Court, as there is a clear finding that

shareholder has no rights over the assets of the company. The order dated 18.10.1994 of the Court in C.S.No.853 of 1994 admittedly pertains to transfer of shares and not transfer of assets of the Private Limited Company. Hence, the plea of the petitioner is misleading and not supports his claim for title. The learned Senior Advocate's opinion has not been furnished, even though truncated version of the same is given in the affidavit under reply. It can be only relating to the shares and not the property of the company as the Hon'ble Supreme Court has held that the share holders have no right in the company's property and are only entitled to share in its profits. The attempt to confuse between the transfer of shares and properties of the company is to be rejected.

20. The third respondent further submits that it is clarified that the alleged MOU dated 04.07.1998 does not confer any title on the Vendor Company of this respondent. This respondent acquired title from the Vendor Company based on their registered sale deeds after passing requisite Board Resolutions. The petitioner made a futile attempt to get an injunction order in C.S.No.490 of 2008. Hence, this is yet another attempt to restrain this respondent, which is not legally sustainable and sheer abuse of process of law. It is submitted that the deponent of the affidavit under reply has suppressed his representation dated 20.12.2012, sent through his learned Advocate Mr.T.N.Buvaneswaran to the first respondent herein and has not come with clean hands before the Court and hence, the petitioenr is not entitled to any relief from this Court.

21. The third respondent further submits that the writ petitioners would not in any way be prejudiced by the rejection of the writ petition or the applications for interim orders as their right as a share holder of the vendor company of the third respondent are fully protected and to be decided by the Company Law Board and the Civil Suits initiated by them. As such, it is submitted that the interim prayers for restraining this respondent from registration are not maintainable. It is submitted that the third respondent-company has executed and registered as much as 370 sale deeds conveying undivided share of land (UDS) till date and as many as 1,200 customers have entered into sale agreements. The attempt to thwart the progress would cause an irreparable loss and prejudicial to the interest of the third respondent-company and also to the customers and their families who had booked residential units to live in the project.

22. The third respondent further submits that the approximate revenue to be generated by way of Stamp Duty and Registration Charges alone would be around Rs.150 Crores, as the project goes by, apart from other employment opportunity as the project has provided employment, both direct and indirect, to as

many as 1,500 persons for the past 5 years and for the following years to come, and any order of restraint would have a serious impact on the project. The Registration Department has collected more that Rs.44 Crores by way of Stamp Duty and Registration Charges since June 2011, when the third respondent commenced registration of UDS to its customers. The answering respondent understands that the second respondent, SRO, Anna Nagar had written to the concerned Thasildar at the time of admitting the first document for registration of UDS and in response, the Thasildar, Egmore - Nungambakkam has confirmed that the patta for the subject lands stands in the name of the third respondent-company and they do not have any objection for registration of UDS.

23. The third respondent further submits that the Company has gifted more than 6 acres of land towards OSR, Public Road, TNEB sub-station and for Chennai Metro Rail Project. The third respondent-company has remitted around Rs.70 Crores towards development charges, infrastructure and amenities charges to CMDA and Corporation of Chennai and invested several hundred Crores for the construction of the project. 6 Residential Towers comprising of more than 370 Units are ready for occupation and Partial Completion Certificate has been issued by CMDA. More than 100 families are living in the project. Hence, the balance of convenience is against grant of any interim reliefs as the petitioner has not made out any prima-facie case. Hence, the third respondent entreats the Court to dismiss the above writ petition.

24. The highly competent counsel Mr.G.Veerapathiran submits that the subject matter of the property belongs to the family of the writ petitioners. The property, to an extent of 42 acres, was afflicted by Urban Land Ceiling between 1975-1999, but the third respondent had created bogus documents and registered the same on the file of the Sub Registrar, Anna Nagar. The petitioners had submitted an application on 10.11.2011 to the first respondent herein / Inspector General of Registration stating that the authority of the scam towards the property for an extent of 42 acres and 53.31 cents situated in Koyambedu. The third respondent herein had created two forged documents and created it in his name and registered the same on the file of the second respondent / Sub Registrar, Anna Nagar. The document bearing Nos.981 of 2006 and 982 of 2006, dated 02.03.2006, reveals that M/s.Sri Krishna Tiles and Potteries (Madras) Pvt. Limited had executed a sale deed in favour of the third respondent herein. Actually M/s.Sri Krishna Tiles and Potteries (Madras) Pvt. Limited are not the absolute owner of the property and as such, the sale deeds are not sustainable under law. He further submits that the second respondent without scrutinizing the genuineness of the parties had registered the said two bogus certificates. Besides this, one G.M.Pandian had executed 25 sale deeds in the year 1995 without producing no objection certificate from the Income Tax

Department. The highly competent counsel further submits that the property dispute cases are pending before the various forums. Therefore, the first respondent herein had referred the complaint to the District Registrar (Administration) Central Madras and instructed him to initiate necessary action in the speedy manner and the order has been passed on 03.02.2012. After receipt of the said instructions from the first respondent, the District Registrar (Administration) had not completed the enquiry on the said petitioner's representation. Hence, the above writ petition has been filed for a direction to the first respondent to complete the investigation as per his earlier direction dated 03.02.2012, within a specified period.

25. The highly competent Special Government Pleader Mr.T.N.Rajagopalan, appearing for the respondents 1 and 2 submits that the writ petitioners have prepared a complaint dated 10.11.2011 to the first respondent alleging irregularities in the registration of documents by the third respondent herein. Therefore, the first respondent has forwarded the said complaint of the petitioner to the District Registrar (Administration), Central Madras, to conduct an enquiry in accordance with the circular issued by the first respondent dated 03.11.2011 The said circular No.67, dated 03.11.2011, issued by the first respondent has been stayed by this Court by order dated 26.09.2012 made in M.P.No.1 of 2012 in W.P.Nos.26019 to 26021 of 2012 and the enquiry has so far not commenced. Further, when the circular empowering the District Registrar to conduct an enquiry on complaints of fraudulent registration through impersonation or production of false documents has been stayed by this Court, the enquiry cannot be proceeded with any further. At the same time the first respondent has not refused to conduct the enquiry. The said enquiry has been stopped in the middle since this Court's stay order is operating. The highly competent Special Government Pleader further submits that the sale deed bearing registration Nos.981 and 982 of 2006 have been registered in the name of the third respondent on the file of the second respondent. Both these documents have been registered in accordance with the provisions contained in the Registration Act, 1908 and the Rules made there under. As such, the first respondent is in no way connected with the allegation levelled by the writ petitioner. Hence, the learned counsel requests this Court to dismiss the above writ petition.

26. The highly competent senior counsel Mr.R.Krishnamoorthy, appearing for the third respondent submits that the Rule 55 of the Tamil Nadu Registration Rules has specifically prohibited the registering authority from investigating or inquiring into title issues of the property sought to be registered or about the right of the party to execute the document. Due to such a statutory bar, it is not open to the registering authority viz., the first and second respondents herein

to look into the issue relating to title of the property which was a subject matter of the sale deeds bearing registration Nos.981 and 982 of 2006, which have been registered on the file of the second respondent herein dated 02.03.2006. Further, on account of such a statutory bar, the proceedings of the first respondent dated 03.02.2012, forwarded to the second respondent for enquiry, is not sustainable under law and also runs against the Rule 55 of the Tamil Nadu Registration Rules. Besides, the writ petitioner has filed a civil suit restraining the third respondent /M/s.Ozone Projects Private Limited, from dealing with the subject property along with additional application for an interim injunction. The said interim injunction had been dismissed on merits and valid reasons have been assigned stating that the share holders of the Company have no right over the assets of the Company and a decision taken by the Board is binding on the shareholder. Against the said dismissal of the interim injunction application, no appeal has been filed and as such, the dismissal order passed in the supplementary application / interlocutory application has become final.

27. The highly competent senior counsel appearing for the third respondent further submits that the writ petitioner is repeatedly spreading misleading false information about the third respondent's Metrozone Project to the customers and statutory authorities, thereby causing huge loss of reputation and business to the respondent. Under the circumstances, the third respondent has filed an original application No.1 of 2012 in C.S.No.626 of 2009, seeking an injunction restraining the writ petitioners herein, in any manner communicating with the Bankers, Investors, Customers, Statutory Authorities, questioning the right, title, the interest of the applicant / plaintiff who is the third respondent herein and relating to the project named Metrozone which is being developed by the third respondent herein into a township pending disposal of the said suit. The interlocutory order has been passed on 14.02.2012 which is in force and as such, the first respondent's proceedings dated 03.02.2012 cannot be proceeded with any further. The writ petitioner had not established his civil case in C.S.No.490 of 2008 and therefore his injunction application was dismissed. This reveals that the writ petitioner has not made out that a prima-facie case which exists against the third respondent herein. Further, the writ petitioners had leveled an allegation of fraud against the Competent Counsels in his complaint dated 10.11.2011. The first respondent has no locus standi to entertain the said complaint since it has been filed against the highly competent counsel. Furthermore, the writ petitioners being a minority share holder of M/s.Sri Krishna Tiles and Potteries (Madras) Pvt. Limited are estopped / prevented from claiming any title or civil rights over the assets of the company. Further, the Company is not wholly owned by the petitioners family and their relatives. Further, the writ petitioners have filed a company petition No.2 of 2006, on the file of Company Law Board with

suppression of the facts with ulterior motive which is pending. The petitioner has filed a complaint against very competent two counsels before the Bar Council of Tamil Nadu and the said complaints have been stayed by this Court in two writ proceedings since the complainant has not made out a prima-facie case.

28. The highly competent senior counsel appearing for the third respondent further submits that the third respondent herein has executed and registered as much as 370 sale deeds conveying undivided share of land till date and as many as 1,200 customers are entitled to sale agreements with the third respondent. The approximate revenue to be generated by way of stamp duty and registration charges alone would be around Rs.150 Crores. So far, the Registration Department had collected more than 44 Crores by way of stamp duty and registration charges since June 2011, when the third respondent commenced registration to his customers. The third respondent also gifted more than 6 acres of land towards OSR, Public Road, TNEB sub-station and for Chennai metro Rail Project. The third respondent Company has remitted around Rs.70 Crores towards development charges to Chennai Metro Development Authority and Corporation of Chennai. Now, more than 100 families have occupied and are living in the precincts of the project. Hence, the highly competent senior counsel entreats the Court to dismiss the above writ petition.

29. The very competent counsel Mr.R.Karthikeyan, appearing for the fourth respondent submits that the Chennai Metropolitan Development Authority have observed all legal formalities and the building plan had been approved. Further, some cases are pending on the file of various forums between the petitioner and the third respondent, wherein the said complaint is also one of the issues and therefore, one more parallel inquiry cannot be proceeded with. Hence, the learned counsel entreats the Court to dismiss the above writ petition.

30. From the above discussions, the factual issue which arises is whether the first respondent's proceedings in Ref.No.54720/R/3/2011, dated 03.02.2012, giving direction for permission to investigate in order to come up with an outcome, justified?

(i) This court is of the view that the writ petitioners had lodged a complaint before the first respondent and alleged several allegations against certain persons regarding impersonation and forgery, besides making another allegation against the second respondent herein, viz., the Sub-Registrar, Anna Nagar, Chennai that he is an erring officer as he had not followed necessary formalities for registering the documents and that the parties had not produced no objection certificate from the Income Tax Department and in addition to that the subject lands had been involved under the Urban Land Ceiling Act. Therefore, it is evident that the writ petitioners are seeking an enquiry. The said complaint has to be disposed after an inquiry which is mandatory. Therefore, the first respondent has given direction to the District Registrar (Administration), Central Madras, dated 03.02.2012. After receipt of the said direction, the District Registrar (Administration) had not completed his inquiry on the said complaint.

(ii) The first respondent, who is the top most Officer of the Registration Department had received a complaint against his Subordinates. Therefore, for better administration, he had given a direction for necessary inquiry. When the object of the first respondent was to have better administration, it is not proper for this Court to interfere in the said issue. Further, this Court has granted interim injunction in O.A.No.1 of 2012 in C.S.No.626 of 2009, dated 14.02.2012 restraining the writ petitioners herein and others, their men, servants, agents or any one acting under them from any manner communicating with the banks, investors, customers and statutory authorities by questioning the right, title and interest of the third respondent herein. This interim order cannot prevent the first respondent to take necessary action against his subordinate, viz., the second respondent herein on administrative grounds. Therefore, the inquiry proceedings in Ref.No.54720/R/3/2011, dated 03.02.2012, is required to be compulsorily followed for inquiry completion to establish the veracity of the complaint.

31. On considering the factual position of the case and arguments advanced by the learned counsels on all sides and on perusing the documents produced by the parties and the observations mentioned above, this Court allows the said writ petition with a direction to the first respondent/Inspector General of Registration to proceed with his proceedings in Ref.No.54720/R/3/2011, dated 03.02.2012, after deleting the names of the learned counsels mentioned in the said complaint and to give further suitable direction to the District Registrar, (Administration), Central Madras, to complete the inquiry, within a stipulated period. After completion of the inquiry, a copy of the inquiry report is to be sent to this Court Registry by a sealed cover. There is no order as to costs. Consequently, connected miscellaneous petitions are closed.

Sd/-
Assistant Registrar

//True Copy//

Sub Assistant Registrar

r n s

To

1.The Inspector General of Registration,
100, Santhome High Road,
Mylapore, Chennai - 4.

2.The Sub-Registrar,
Office of the Sub-Registrar,
Anna Nagar, Chennai.

3.The Member Secretary,
Chennai Metropolitan Development Authority,
Thalamuthu Natarajan Maaligai,
Egmore, Chennai - 600 008.

4.The District Registrar
(Adminstration), Central, Madras.

Copy to:The Section officer, Writ Section,
High Court, Madras(for watching the report)

1 cc to Government Pleader,Sr.No30789
1 cc to Mr.R.Swaminathan ,Advocate, SR.No.30450

W.P.No.16499 of 2014 &
M.P.Nos.1 and 2 of 2014

rsy(co)
pmk.12.9.2014