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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 10067/2024 & CM APPLs. 41216/2024, 44508/2024, 44509/2024

CAPITAL LAND BUILDERS PVT. LTD. .....Petitioner

Through: Mr. Shalabh Gupta, Ms. Himani Aggarwal and Ms. Vandita Gupta, Advocates.

versus

SUB REGISTRAR .....Respondent

Through: Mr. Vivek Sharma, Ms. Meenal Kapoor and Ms. Richa Khera, Advocates for Applicants in CM APPLs 44190/2024, 44191/2024.
Mr. Ashish Mohan, Mr. Hem Kumar, Mr. Arjun Chaudhary and Mr. Samarth Chaudhary, Advocates for Applicants for Mr. Ajay Yadav in in CM. APPL. 44508/2024.
Ms. Manpreet Kaur, Advocate for Applicant in CM No. 44240/2024.
Mr. Tushar Sannu, Advocate for GNCTD.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

ORDER

% 23.09.2024

1. The Petitioner Company, Capital Land Builders Pvt. Ltd., through Sh. Manoj Bansal as its authorized representative, seeks a direction to the Respondent/ Sub-Registrar, to register all and every sale deed presented by the Petitioner. The Petitioner contends that, in the absence of any stay order

or legal restraint on the transfer of the property in question, there is no lawful basis for the Sub-Registrar to refuse registration.

2. The factual background, as narrated by the Petitioner in the present petition seeking the aforementioned directions, is summarized as follows:

2.1 The Petitioner claims to be the absolute owner of the property bearing Khasra No. 854/1, 855/1, 855/2, 861/1, 862, 863, 864, 1017/865, 868, 875, 876, 877, 878, 879, 1132/892 & 898, including property bearing No. C-8, Kailash Nagar Colony, Loni Road, Shahdara, Delhi-110093. The title to these properties, according to the Petitioner, was acquired through a Sale Deed dated 7th July, 2004, which was duly registered with the Sub-Registrar, North East, Seelampur, Delhi, under Registration No. 2603.

2.2 The Petitioner executed a sale deed under Receipt no. 1896 dated 26th March, 2024 in favour of Smt. Usha Rani in respect of the property bearing Receipt no. C-8, Kailash Nagar Colony, Loni Road, Shahdara, Delhi-110093[1]. However, the Respondent, through impugned order passed in May, 2024 refused to register the same. The refusal was based on an ongoing appeal against an order of the Trial Court dated 27th April, 2024. This appeal had been filed by Mr. Shiv Kumar Jindal, who had sought to be impleaded in the present case through an application (CM. APPL. 44240/2024). The Respondent's decision to withhold registration was thus, ostensibly linked to the pending judicial proceedings, despite the absence of any explicit stay on the property's transfer.

3. In the context of the aforementioned factual background, Mr. Shalabh Gupta, counsel for the Petitioner, apprises the Court of the Trial Court's order dated 27th April, 2023, in Civil Suit No. 702/2018 titled *Shiv Kumar*

Jindal v. Capital Land Builders & Ors., whereby the Trial Court had dismissed an application filed by Mr. Shiv Kumar Jindad under Order XXXIX, Rules 1 and 2 of the Code of Civil Procedure, 1908, and Section 52 of the Transfer of Property Act. This application sought directions to restrain the Petitioner from creating any third-party interest in the subject property until the disposal of the suit. The dismissal of this application is a crucial element of the Petitioner's case.

4. Mr. Gupta argues that, notwithstanding the appeal against the aforementioned order, the absence of an explicit stay on the registration of the sale deed renders the impugned order arbitrary and extraneous. He contends that the denial of registration merely due to the pendency of an appeal is legally unsustainable. He places reliance on Clause 8(ii) of the Guidelines issued by the Office of the Inspector General of Registration, Department of Revenue, Government of NCT of Delhi, framed under Section 69 of the Registration Act, 1908. These guidelines explicitly state that the Sub-Registrar shall not withhold any document on the grounds of a complaint unless there is a specific court order directing the maintenance of *status quo* or expressly restraining the transfer of the property in question. Mr. Gupta argues that since no such stay order exists in the present case, the Respondent was under an obligation to proceed with the registration of the sale deed. He contends that the mere pendency of an appeal does not constitute a valid ground for the Respondent to refuse registration, as there is no explicit legal prohibition in place. Therefore, the impugned order is extraneous and unjustified. On this basis, Mr. Gupta seeks the following relief:

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[1] "Subject Property"

> *"Issue a writ/ direction/ order in the nature of Mandamus or any other appropriate writ, order or direction thereby directing the respondent to register the sale deeds presented by the Plaintiff Company in the absence of any status quo order."*

5. At this juncture, it is pertinent to note that the following individuals have also filed applications for impleadment in the present case: Mr. Narender Singh through CM. APPL. 44190/2024 and Mr. Ajay Yadav through CM. APPL. 44508/2024, assert their respective rights in the property that is the subject matter of the sale deed submitted for registration. Accordingly, they are impleaded as Respondents No. 2 and 3 respectively in the matter. Both the Respondents strongly oppose the petition.

6. Mr. Ashish Mohan, counsel for Mr. Ajay Yadav, apprises the Court of two stay/*status quo* orders passed by this Court concerning the subject property. He further outlines the following pertinent facts:

6.1 Mr. Yadav, as a director of the Petitioner Company, had executed a sale deed on behalf of the Company in favour of one Mr. Narender Singh. The said sale deed was duly registered with the Sub-Registrar.

6.2 Subsequently, a civil suit was filed by the Petitioner Company through Mr. Manoj Bansal, questioning the authority of Mr. Yadav to execute the sale deed in favour of Mr. Narender Singh.

6.3 This suit was decreed by the Trial Court under Order XII Rule 6 of the Code of Civil Procedure, 1908, in favour of the Petitioner Company through judgement and decree dated 24th January, 2024 declaring the sale deed to be null and void.

6.4 Based on this decree, the Petitioner Company approached the Sub-Registrar to record the cancellation of the sale deed executed by Mr. Yadav. It was at this point that the Petitioner Company also presented the subsequent sale deed, dated 27th March, 2024, executed in favour of Smt. Usha Rani.

6.5 Mr. Yadav in RFA No. 346/2024 titled as ***Ajay Yadav v. Capital Land Builders Pvt. Ltd & Ors.*** and Mr. Narender Singh in RFA No. 345/2024 titled as ***Mr. Narender Singh v. Capital Land Builders Pvt. Ltd & Ors.*** assailed the aforesaid judgment of the Trial Court dated 24th January, 2024. In RFA 346/2024, this Court passed an order dated 21st May, 2024 in the following terms:

> *"1. The instant regular first appeal under Section 96 of the Code of Civil Procedure, 1908 has been filed on behalf of appellant seeking the following reliefs:-*
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> > *"A. Allow the present appeal and set aside the Impugned Judgment and Decree dated 24.01.2024 passed by the Sh. Ramesh Kumar, Ld. Additional District Judge, Shahdara District, Karkardooma Courts, Delhi in CS No. 513 of 2020 titled as „Capital Land Builders Pvt. Ltd. v. Narender Singh & Ors.';*
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> > *B. Pass any other order or direction as this Hon"ble Court may deem fit and proper in the facts and circumstances of the case and in the interest of justice."*
>
> *2. Heard.*
>
> *3. Issue notice. Notice is accepted by learned counsel for the respondents. On instructions, he submitted that after passing of the impugned judgment and decree dated 24th January, 2024, the respondents have already executed the sale deed dated 27th March, 2024 in favour of a third party namely Ms.Usha Rani.*
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> *4. At this juncture, learned counsel appearing on behalf of appellant submitted that the said sale deed which has been claimed to be executed by the respondents is not registered. Hence, it is contended that the balance of convenience lies in favour of the appellant and serious prejudice would be caused to the appellant if the stay of the operation of the impugned judgment and decree dated 24th January, 2024 is not granted.*
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> *5. Heard and perused the record.*
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> *6. In regard to the prayer of the appellant with respect to the interim relief, this Court is of the view that the instant matter requires consideration as the sale deed that is claimed to be executed by the respondents in favour of a third party, is pending adjudication before this Court, and, prima facie, the balance of convenience lies in favour of the*

appellant.

7. ***Therefore, in the interest of justice, any implementation and the resultant of the impugned judgment and decree dated 24th January, 2024 shall be kept in abeyance till the next date of hearing,***

8. List on 5th August, 2024.

9. In the meantime, learned counsel appearing on behalf of the parties are directed to file written submissions alongwith convenience compilation.

10. Lower Court Record be requisitioned before the next date of hearing."

6.6 Furthermore, there exists a factional dispute within the Petitioner Company, involving factions led by Ch. Brahm Prakash, Mr. Sachdeva, and Mr. Kishori Lal. In FAO(OS) 90/2019, titled ***M/s Capital Land Builders Pvt. Ltd. v. M/s Shaheed Memorial Society (Reg) & Ors***., this Court, through its order dated 26th April, 2024, directed the Petitioner to maintain the *status quo* concerning its assets. The relevant portion of the order reads as follows:

> *"Learned counsel for the appellant/non-applicant fairly states that till the matter is heard by the learned Single Judge next week, the appellant shall maintain status quo with regard to the assets of the appellant company."*

6.7 Thereafter, this Court in CS(OS) 1906/2006, through order dated 3rd May, 2024 had recorded the following:

> *"Learned counsel for the plaintiffs submits that there would be no change in the status till the next date of hearing."*

6.8 The above facts demonstrate that the Petitioner has concealed the aforesaid orders from this Court, and that their submissions are misleading and contravene the *status quo*/ stay orders passed by this Court in Suit bearing CS(OS) No. 1906/2006 and Appeal bearing RFA No. 346/2024, which are presently pending before this Court.

7. In light of the above circumstances, the pertinent question before this

Court is whether the Petitioner has deliberately misled the Court by failing to disclose the relevant documents and orders. Mr. Gupta, counsel for the Petitioner, attempts to justify this omission by arguing that there was no requirement to place these documents on record. He asserts that the Petitioner, is not challenging the Respondent's specific order of refusal concerning the Subject Property. Instead, the Petitioner seeks a broader direction from this Court to facilitate the registration of any and all sale deeds executed by the Petitioner. However, this explanation is not entirely convincing. The orders in question, particularly those imposing *status quo* on the Petitioner's assets, are directly relevant to the relief sought in the present case. By omitting to file these documents, the Petitioner appears to have disregarded the broader context and potential legal restrictions surrounding the registration of property transactions. Proper disclosure of these orders was not only necessary for transparency, but also crucial for this Court to make an informed and equitable decision. Furthermore, the fact that the Petitioner seeks a blanket order from this Court, while glossing over previous *status quo* orders, raises serious concerns as to whether the Petitioner has acted in good faith.

8. Consequently, the Court remains unconvinced by the explanation provided by Mr. Gupta. While it is true that the Respondent's specific order of refusal has not been directly challenged, the relief sought by the Petitioner inherently rests on this very order. The Petitioner's request for a blanket direction to facilitate the registration of "any and every" sale deed encompasses the specific sale deed that was refused, thereby directly linking the relief to the order in question. Therefore, the failure to disclose these crucial court orders undermines the Petitioner's argument, Furthermore, Mr.

Gupta's explanation appears to be an attempt to circumvent potential objections. The omission of court orders, particularly those imposing *status quo* on the Petitioner's assets, suggests an intent to avoid scrutiny of these restrictions.

9. Moreover, the Petitioner has premised its entire case on the argument that the Respondent was obligated to register the sale deed in favour of Smt. Usha Rani, as there was no stay order explicitly prohibiting such registration. However, this assertion overlooks the crucial fact that this Court had passed *status quo*/stay orders in CS(OS) No. 1906/2006 and RFA No. 346/2024. It is essential to highlight that in RFA No. 346/2024, this Court granted a stay on the Trial Court's judgment dated 24th January, 2024, which had declared the sale deed in favour of Mr. Narender Singh null and void. The effect of the stay was to maintain the *status quo*, preventing any change in the legal position regarding the Subject Property. Thus, the stay order was intended to freeze the situation, meaning that any subsequent registration of a new sale deed for the same property was impermissible until the final adjudication of the appeal. This critical fact should have been disclosed by the Petitioner Company. Its failure to do so not also amounts to misleading the Court, but also suggests a deliberate act of wilful concealment.

10. Given the aforementioned facts, it is evident that there are multiple ongoing cases related to disputes concerning the Subject Property. Therefore, any attempt by the Petitioner to execute a sale deed would directly contravene the *status quo* orders previously issued by this Court. Accordingly, the Court finds no infirmity in the Respondent's order passed in May 2024, even though that specific order has not been directly

challenged in the present petition. For these reasons, the relief sought by the Petitioner cannot be granted.

11. In light of the foregoing, the present petition is dismissed. Additionally, considering the concealment of material facts and the unwarranted engagement of the Court's time, it is deemed appropriate to impose a cost of INR 50,000/- on the Petitioner Company. This amount shall be deposited with the Delhi Legal Services Authority within four weeks from the date of this order.

12. With the above directions, the present petition, along with pending application(s), if any, dismissed.

SANJEEV NARULA, J

SEPTEMBER 23, 2024
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