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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.03.2025

CORAM :

THE HONOURABLE **MR.JUSTICE N.ANAND VENKATESH**

Writ Petition No.5522 of 2025

- 1.N.Suresh
- 2.N.Vellaichami
- 3.K.Gopinath
- 4.P.Azhagan
- 5.K.Veeraghavan

.... Petitioners

-Vs-

1.Inspector General of Registration
No.100, Santhome High Road
Pattinampakkam
Chennai 600 028.

2.The District Registrar (Administration)
Chengalpet District
10, Kancheepuram Main Road
Chengalpattu-603002.

3.The District Registrar (Audit)
Chengalpet District
10, Kancheepuram Main Road
Chengalpattu-603002.

.. Respondents

Prayer : Writ Petition under Article 226 of the Constitution of India praying for the issuance of a Writ of Certiorarified Mandamus, direction to quash the order bearing no. 1456/AA1/2024 passed by the 2nd respondent dated 29.01.2025 and



consequently direct the 2nd respondent to remove the entry bearing "that no further sale will be conducted to the property belonged to PACL Company in pursuance of letter issued by the Inspector General of Registration vide letter Na.Ka.No.7842/C1/2022 dated 05.03.2022 and vide Circular Na.Ka.No. 27150/C3/2020 dated 24.12.2020 in the Encumbrance Certificate in respect of the property purchased by the petitioner in the Encumbrance Certificate in respect of the property purchased by the petitioners through Document No.15295/2019 and 15297/2019, 15292/2019, 15293/2019, 15294/2019, 15296/2019 respectively registered on the file of SRO, Chengalpet Joint II.

For Petitioners : Mr.Prasanth Rajagopal

For Respondents : Mr.B.Vijay
Additional Government Pleader
R1 to R3

ORDER

This writ petition has been filed challenging the proceedings of the 2nd respondent dated 29.01.2025 and for a consequential direction to the 2nd respondent to remove the entry "that no further sale will be conducted to the property belonging to PACL Company pursuant to the letter issued by the IG of Registration dated 05.03.2022 and Circular dated 24.12 2020 in the encumbrance certificate."

2.When the matter came up for hearing on 21.02.2025, this Court directed both sides to trace the earlier order passed by me while sitting in the Madurai Bench of Madras High Court.



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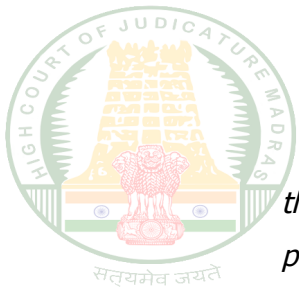
3. When the matter was taken up for hearing today, the earlier order passed in WP(MD).No.14021 of 2020, dated 26.04.2021 was placed before the Court. The relevant portions are extracted hereunder:

4. It is brought to the notice of this Court that the third respondent Company had collected deposits from various Investors and failed to repay back the same. The matter ultimately reached the Hon'ble Supreme Court and the Hon'ble Supreme Court by an order dated 02.02.2016, while hearing a batch of connected cases, appointed a Committee headed by the Former Chief Justice of India, who is the Chairman of the Committee and the Committee was directed to sell the properties belonging to the Company and to utilise the sale proceeds to repay back to the Investors.

5. While the above order was passed by the Hon'ble Supreme Court, an indication was given at paragraph no.13 of the order to the effect that the decision with regard to the sale of the property of the Company by the Committee shall not be interfered with by any Court. The very purpose of appointing a Committee was to ensure that the properties belonging to the Company are identified and they are brought for sale in order to enable the repayment of the investors.

6. In view of the above, the Committee has issued letters to the Registration Department by giving the particulars of all the properties belonging to the third respondent Company and has directed the Registration Department not to entertain any documents pertaining to these properties. On receipt of the letter, the Inspector General of Registration has also issued a Circular to the Sub Registrars not to entertain any documents for registration, which pertains to the properties identified and belonging to the third respondent Company.

7. The very purpose of issuing such a Circular is to ensure that



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third party rights are not created which will further complicate the process of selling the property of the third respondent and it will virtually put spokes on the functioning of the Committee. Therefore, there is a meaning behind the letter circulated by the Committee to the Registration Department not to entertain the documents pertaining to the identified properties belonging to the third respondent.

8. In view of the above discussion, this Court does not find any ground to interfere with the impugned refusal check slips issued by the second respondent. The direction given by the Committee cannot be construed to mean that the statutory functioning of the second respondent is being interfered with. It is important to bear in mind that the Hon'ble Supreme Court was dealing with a larger public interest, where the money collected from various depositors was not repaid back and therefore, a Committee was appointed to take steps to identify the properties and sell them and repay back the Investors. By issuing these directions, the Hon'ble Supreme Court is virtually acting through the Committee and therefore, the Committee was entitled to issue directions to the Registration Department not to entertain documents for registration pertaining to the properties belonging to the third respondent Company.

9. If the petitioner wants to deal with the subject properties, he has to necessarily approach the Committee and seek for a 'No Objection Certificate'. Unless such a 'No Objection Certificate' is given by the Committee, the second respondent cannot entertain the documents presented for registration. Except giving this liberty, this Court does not find any ground to interfere with the impugned refusal check slips issued by the second respondent.

4.The above order squarely covers the facts of the present case. It was held by this Court that unless a no objection certificate is given by the Committee, the Sub



Registrar cannot entertain the documents presented for registration.

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5. In the case in hand the property is covered under six documents. Those properties clearly come under Schedule 'B' that is annexed along with the communication made by the Hon'ble Justice R.M.Lodha Committee to the Inspector General of Registration dated 08.01.2020. In view of the same, there is no question of removing the entry that was made and if at all anyone wants to deal with the property, they have to get the no objection certificate from the Committee.

6. In the light of the above discussion, this Court does not find any merits in this writ petition and accordingly, this writ petition stands dismissed. No costs.

21.03.2025

Index : Yes/No
NCS : Yes/No
KP

To

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N.ANAND VENKATESH, J.

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