IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 22.08.2025

CORAM

THE HONOURABLE MR.JUSTICE MOHAMMED SHAFFIQ

W.P. No.23029 of 2025
and
W.M.P. No.25865 of 2025

LBR Leisure and Hospitality Services
Private Limited,
Cin-U55101TN2014FTC095417,
Old No.228, New No.302,
F.M. House, Anna Salai, Teynampet,
Chennai-600 006,
Rep. By its Authorized Signatory
Mr.Suresh Murugan.

Petitioner(s)

Vs.

1.Joint Sub Registrar-I,
Chennai Central, Bharathi Salai,
Chennai-600 018.

2.District Registrar,
(A.I.G. Cadre), Chennai Central,
Bharathi Salai, Chennai-600 018.

3.Inspector General of Registration,
No.100, Santhome High Road,
Chennai-600 028.

Respondent(s)

PRAYER: Writ Petition filed under Article 226 of the Constitution of India, praying to issue a Writ of Certiorarified Mandamus calling for the records pertaining to the impugned order passed by the 1st respondent vide Letter

No.121/APP/2025 dated 26.05.2025 and quash the same and consequently direct the respondents particularly the 1st respondent from making any demands hereafter, towards deficit in stamp duty and / or registration charges and/or penalty or any other demand of whatsoever nature in respect of Sale Deed vide Document No.271/2002 registered in the files of the 1st respondent from the petitioner for any subsequent transaction of whatsoever nature in respect of the property registered vide sale certificate in Document No.93 of 2017 on 01.02.2017 by the 1st respondent.

For Petitioner(s)	: Mr.P.H.Arvindh Pandian Senior Advocate for Mr.S.Aravindan for M/s.Fox Mandal Associates
For Respondent(s)	: Mr.U.Baranidharan Special Government Pleader

ORDER

By consent of learned counsel on both sides, this writ petition is taken up for final disposal at the admission stage itself.

2. The present writ petition is filed praying for a writ of Certiorarified Mandamus challenging the impugned order passed by the 1st respondent vide Letter No.121/APP/2025 dated 26.05.2025, insofar as demands are raised on the petitioner invoking Section 47A(3) of the Indian Stamp Act, 1899, on the premise that the Sale Deed dated 28.03.2001 between M/s.Siva Industries and Holdings Ltd., formerly known as Sterling Infotech Ltd., (hereinafter referred to as “SIHL”) and M/s.Arihant Foundation and Housing Ltd., Chennai (hereinafter referred to as “AHFL”) registered as Doc.No.271 of 2002 does not truly set forth

the market value of the property comprised in Old S.No.3028, R.S.No.23, Collector Certificate 5768, Block-2, bearing Old Door No.243 and Present Door No.327, Mount Road (Anna Salai), on the ground of want of jurisdiction.

3. The subject property earlier known as "Sterling Towers" now known as "LBR Towers" belongs to the petitioner herein. The subject property was earlier owned by SIHL. SIHL entered into two agreements with AFHL on 21.10.1999 viz., one for purchase of undivided share of 25,710 sq.ft. out of 10 grounds and 2275 sq.ft., comprised in O.S.No.3028 and R.S.No.23 at Door Nos.242 and 243, Mount Road, Chennai and the other agreement was a construction agreement to construct a building on the said lands comprising of basement plus ground plus 13 floors. A Sale Deed dated 28.03.2001, in respect of the above lands between SIHL and AFHL was presented for registration before the 1st respondent on 14.03.2002 and was registered as Doc.No.271 of 2002. However, based on audit objections, show cause notice came to be issued to SIHL invoking Section 27 of the Stamp Act on the premise that the value of the building in the above land was not disclosed. After affording SIHL with an opportunity to show cause, an order came to be passed finding violation of Section 27 of Stamp Act read with Article 5 (i) of the Stamp Act, raising a demand of Rs.2,10,20,635/- from SIHL. Aggrieved, SIHL preferred a writ petition in W.P.No.24015 of 2003 before this

Court. Petitioner is not a party in the said writ petition. During the pendency of the said writ petition, subject property was attached by Axis Bank in view of amounts due from SIHL in terms of SARFAESI Act. Petitioner negotiated with SIHL and Axis Bank to purchase the said property while making it clear that even during private negotiations for purchase of the said property that the purchase would be subject to the dues under the Stamp Act being settled in terms of the Order of this Court in W.P.No.24015 of 2003 dated 26.08.2015. It may be relevant to note that SIHL had agreed/consented to pay the deficit stamp duty claimed by the respondent department and the above writ petition in W.P.No.24015 of 2003 was disposed of recording the above consent/undertaking.

3.1. Pursuant thereto, SIHL approached authorities under the registration department and offered to pay the amounts due and in fact paid a sum of Rs.52,19,162/- being the difference in Stamp Duty and a sum of Rs.57,93,312/- being the interest payable under Section 47A of the Stamp Act. The authorities under the Act had thereafter found that the instrument viz., the sale deed between SIHL and AFHL was properly stamped.

3.2. Axis Bank paid its agreed dues by SIHL and proceeded to issue a sale certificate in favour of the petitioner by way of a private sale with consent of borrower in terms of SARFAESI Act. Sale Certificate dated 30.09.2015 was stamped and submitted for registration on 30.09.2015. The market value of the property was disclosed in the sale certificate as 90 crores accepted by the 1st respondent. Petitioner paid a sum of Rs.6.30 crores towards stamp duty and Rs.90,00,210/- towards registration fee. Despite paying appropriate stamp duty and registration fee, sale certificate was retained as pending Doc.No.P.97.2015. Thereafter, 1st respondent informed the petitioner that in view of the deficit amount demanded as payable towards the earlier sale deed vide Doc.No.271 of 2002, sale certificate was kept pending. 1st respondent passed orders dated 28.03.2016 and 30.03.2016 in Letter No.55 of 2016 demanding Rs.1.43 crores and Rs.10.99 Lakhs towards deficit stamp duty and registration fee allegedly due from SIHL. Aggrieved, petitioner preferred a writ petition challenging Letter No.55 of 2016 dated 28.03.2016 and consequential order dated 30.03.2016 while seeking direction to unconditionally register and return to the petitioner sale certificate in No.P.97 of 2015 which was kept pending in W.P.No.15762 of 2016. This Court allowed the above writ petition vide order dated 27.05.2016, quashing the above communications challenged in the said writ petition *inter alia* on the premise that there is no statutory backing for the impugned action. The relevant portion reads as under :

> *"8. As rightly contended by the learned counsel appearing for the petitioner, the sale deed in respect of the 5 respondent was not released on the pretext that there was deficit payment of stamp duty and*

challenging the legality of the same W.P.No.24015 of 2003 wos filed and the 5th respondent, through his counsel, also undertook to pay the deficit stamp duty as well as the interest and it was accepted by the second respondent and he has also made an endorsement on 21.09.2015 stating among other things that the deficit stamp duty of Rs.52,19,162/ and as well as the interest payable amounting to a sum of Rs.57,93,312/- have been paid and the sale deed after registration was also released. Thereafter, in pursuant to action taken under SARFAEST Act and Rules framed thereunder, the petitioner purchased the property by means of the sale certificate issued by the Axis Bank and when it was presented for registration, it was kept as pending document No.271 of 2002 and has not been registered citing the reason of audit objection and dues to be paid by the petitioner towards deficit stamp duty and interest.

9. In the considered opinion of this Court, the petitioner is not put on any reasons for audit objection and the withholding of the registration and release of the document on account of audit objection. There is no statutory backing for resorting to such an action and that apart as already pointed out the 5th respondent has already paid the stamp duty and interest thereon and the second respondent has also made an endorsement and thereafter, the sale deed in favour of the 5th respondent was released.

10. In the light of the above facts and circumstances, the petitioner is entitled to succeed.

11. In the result, this writ petition is allowed and the proceedings of the 3d respondent in Letter No.55 of 2016 dated 28.03.2016 and the consequential order bearing No.55/2016 dated 30.03.2016 are quashed and the third respondent is directed to register the sale certificate in No.1.97 OF 2015 and release the same to the petitioner forthwith."

4. The respondents herein preferred a writ appeal against the above order in Writ Appeal No.1000 of 2016 which was disposed of by this Court vide order dated 31.08.2016, finding that it is for the vendor i.e., SIHL to pay the dues if any. The relevant portion of the order reads as under:

> *"6. In the facts and circumstances, it is for the vendor to pay the amount which is due to the Government with interest thereon for the remaining amount to the unpaid. Accordingly, we dispose of the writ appeal. It is for the respondent Government to proceed as against the vendor of the property either by proceeding to recover the deficit stamp duty or by attaching some other property of the vendor. Now it is submitted by the learned counsel for the first respondent herein that the document is now with the Government. Therefore, it is for the purchaser to extend their co-operation to the Government in collecting the deficit stamp duty and seek for release of the document. No costs. The connected miscellaneous petition is closed."*

5. A review in Review Application No.113 of 2016 came to be filed by SIHL, wherein SIHL was granted 2 weeks time to file its objections, if any, before District Registrar while reiterating that deficit stamp duty, if any, is to be paid by SIHL, the relevant portions of the order reads as under:

> *"6. In this regard, the review petitioner is granted two weeks time, from the date of receipt of copy of this order, to file their objections before the District Registrar, who shall pass necessary orders after affording opportunity to the review petitioner, within a period of one month thereafter. But, however, the review petitioner shall pay the deficit stamp duty demanded or to have recourse by way of approaching the appropriate forum. With that view, the review petition is disposed of. It is also made clear that the document, which is withheld by the Department, shall be released to the third party purchaser viz., the fifth respondent herein, since it appears that the third party purchaser had paid the stamp duty for the present transaction, but, subject to filing of an undertaking to the extent that they would extend their co-operation till the proceedings before the District Registrar to be raised by the erstwhile vendor is concluded. The miscellaneous petition filed seeking modification of the*

order passed by this court in the writ appeal is also disposed of accordingly No costs."

6. While so, the impugned demand has now been issued addressed to the petitioner and challenged on the premise that it is contrary to the orders of this Court in W.P.No.15762 of 2016, W.A.No.1000 of 2016 and Review Application No.113 of 2016. This Court finds that the impugned demand notice being contrary to the above orders of this Court is devoid of any merit and lacking jurisdiction and without authority of law. It has been made clear by this Court on more than one occasion that deficit stamp duty or registration fee, if any, with regard to Doc.No.271 of 2002 ought to be recovered from SIHL. The impugned proceedings raising/addressing the demand in respect of Doc.No.271 of 2002 on petitioner is clearly without jurisdiction and thus liable to be set aside.

7. At this juncture, the respondent department proposed to proceed against SIHL. This Court does not propose to express any view as to the merit of such request while leaving it open to the authorities concerned to proceed to recover dues, if any, in accordance with law against SIHL in respect of Doc.No.271 of 2002.

8. Accordingly, the writ petition stands disposed of on the above terms. No costs. Consequently, connected miscellaneous petition is closed.

22.08.2025

Speaking (or) Non Speaking Order
Index : Yes/ No
Neutral Citation: Yes/No
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To:
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MOHAMMED SHAFFIQ, J.

mka/spp

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