



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF MARCH, 2026

R

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO. 30541 OF 2025 (GM-ST/RN)

BETWEEN:

1. KOTAK MAHINDRA BANK LIMITED
INCORPORATED UNDER
THE COMPANIES ACT, 1956,
HAVING ITS OFFICE AT
6TH FLOOR, 12BKC, C12, G BLOCK
BANDRA KURLA COMPLEX
BANDRA (EAST), MUMBAI - 400 051
REPRESENTED BY SENIOR VICE PRESIDENT
MR. HARISH KUMAR ACHARYA

...PETITIONER

(BY SRI. D.R. RAVISHANKAR, SENIOR ADVOCATE FOR
SRI. V.J. ACHALANAND, ADVOCATE)

AND:

1. STATE OF KARNATAKA BY
DISTRICT REGISTRAR
DEPARTMENT OF STAMPS AND REGISTRATION
GOVERNMENT OF KARNATAKA
NO. 3, LEELA ARCADE, 3RD FLOOR
NAGARBHAVI, 2ND STAGE
BEHIND BDA COMPLEX
BENGALURU - 560 072.
2. INSPECTOR GENERAL OF REGISTRATION
AND STAMPS
DEPARTMENT OF STAMPS AND REGISTRATION
GOVERNMENT OF KARNATAKA
ROOM NO. 547, 5TH FLOOR





GATE NO. 2, M S BUILDING
DR. B. R. AMBEDKAR VEEDHI
BENGALURU - 560 001

...RESPONDENTS

(BY SMT. NAVYA SHEKAR, AGA)

THIS WP IS FILED UNDER ARTICLE 226 OF THE CONSTITUTION OF INDIA, PRAYING TO DIRECT RESPONDENT NOS. 1 AND 2 TO CONSIDER AND GIVE EFFECT TO THE DIRECTIONS ISSUED BY THE HONBLE HIGH COURT OF BOMBAY ORDER DATED 17 DECEMBER 2024 (ANNEXURE -B) AND TO THE CONSEQUENT REPRESENTATIONS OF THE PETITIONER VIDE LETTER DATED 11 APRIL 2025 (ANNEXURE-J) SEEKING FOR RECORDING OF THE CANCELLATION OF VARIOUS SALE DEEDS OF THE SCHEDULE MENTIONED IN THE LIST ENCLOSED WITH THE SAID LETTER THEREIN, EXECUTED BY THE INSOLVENT IN FAVOUR OF VARIOUS THIRD PARTIES MENTIONED THEREIN IN THE REGISTRATION/REVENUE RECORDS AND ETC.

THIS PETITION, COMING ON FOR DICTATING ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The petitioner is a banking company having its registered office at Bandra, Mumbai, and is a secured creditor of one Electrex (India) Limited (hereinafter referred to as "the borrower"). Upon default in repayment of dues, proceedings were initiated under the provisions of the Securitisation and Reconstruction of Financial Assets



and Enforcement of Security Interest Act, 2002 (for short "SARFAESI Act, 2002"). A demand notice under Section 13(2) of SARFAESI Act, 2002 was issued demanding a sum of Rs.8,96,42,41,504/- on behalf of all secured creditors. Upon failure to comply, symbolic possession of secured assets was taken and possession notice dated 02.02.2015 came to be issued.

2. It is further not in dispute that in Insolvency Petition No.71/2006, the High Court of Bombay adjudicated Mr. Anant V. Hegde, Managing Director of the borrower, and one Mr. D.V. Sathe as insolvents.

3. Despite the said adjudication, the said Mr. Anant V. Hegde is alleged to have travelled to Bengaluru and alienated certain immovable properties, including factory premises situated at Yeshwanthpur, in favour of third parties.

4. Upon coming to know of such transactions, the petitioner informed the Office of the Official Assignee, High



Court of Bombay, by communication dated 23.01.2024. Pursuant thereto, Report No.5/2024 was filed before the High Court of Bombay.

5. The High Court of Bombay, upon consideration of the report, issued specific directions restraining the said Mr. Anant from acting as Chief Executive Officer and further directed the jurisdictional Sub-Registrars at Vijayanagar, Rajajinagar and Nagarbhavi to take necessary steps to declare all agreements and registered sale deeds executed by him as null and void and to desist from entertaining any further transactions in respect of the mortgaged properties.

6. The said directions were duly communicated to the concerned Sub-Registrars. However, no steps were taken by the registering authorities to give effect to the said directions.

7. The petitioner thereafter submitted a detailed representation dated 11.04.2025 (Annexure-J) requesting



implementation of the directions of the High Court of Bombay. Despite the same, no action has been taken, compelling the petitioner to approach this Court.

8. The short question that arises for consideration is:

"Whether respondent authorities are bound to give effect to the directions issued by the Hon'ble High Court of Bombay and whether a writ of mandamus is liable to be issued in this regard?"

9. The directions issued by the High Court of Bombay are paramount for the adjudication of the present *lis*, the same are extracted as under:

"1. This Official Assignee's Report seeks the following directions:

(a) Show Cause Notice may be issued against the Insolvent No.1 viz. Anant V. Hegde, for not complying with the directions given by the Official Assignee and having committed contempt of Courts by executing documents without permission of Official Assignee or Hon'ble Court.



(b) All Deeds/Agreement for sale executed by the Insolvent No.1 viz. Anant V. Hegde being the CEO and Managing Director of Electrex (India) Ltd., in favour of respective buyers/parties in respect of properties situated at Bangalore, Karnataka State may be declared as null and void.

(c) If prayer 'B' is in negative, then, whatever amount out of above sale transaction credited to the account of M/s. Electrex (India) Ltd., through Insolvent No.1, Insolvent No.1 be directed to deposit the said amount with the Official Assignee through Demand Draft/Pay Order.

2. The learned Official Assignee, who is present in Court, submits that Mr. Anant V. Hegde and Mr. D.V Sathe, who were adjudicated as insolvents on 20th February 2007 and accordingly, under Section 17 of the Presidency Towns Insolvency Act, 1909, all the estate and effects of the said Insolvents vested in the Official Assignee. That by an order of the Official Assignee dated 14th August 2008, the Insolvent No.1 viz. Anant Hegde, who is present in Court today, was granted permission for doing his job on the post of Chief Executive Officer in one Electrex (India) Ltd. inter alia, subject to the following conditions:

"(i) Directed to pay 10% of his salary every month for benefit of general body of his creditors.

(ii) Directed to lodge xerox copy of Salary Certificate for each and every month."

3. It is submitted that the public and private examination of the said Insolvent No.1 is still going on and as



HC-KAR

**NC: 2026:KHC:17970
WP No. 30541 of 2025**

per the schedule, the liability of the Insolvent No.1 is Rs.1,76,87,94,948/ and a total of 36 claims have been lodged with the Office of the Official Assignee against the Insolvents, totalling to Rs.77,13,35,795.21/-.

4. The learned Official Assignee has submitted that as per the statement submitted by the Accounts Department, there is a cash balance of Rs.4012.12 ps. and fixed deposit of Rs.2,71,35,564/- lying in the estate account of the said Insolvents.

5. It has been submitted by the Official Assignee that one of the creditors viz., Kotak Mahindra Bank, who is today represented by Mr. Sharma had sent a letter dated 23rd January 2024 to the Office of the Official Assignee alongwith the copies of various Deeds/Agreements executed by the Insolvent No.1, in spite of having been adjudicated as such without the permission of the Insolvency Court or the Official Assignee and that the said Deeds/Agreements have also been registered.

6. It has been submitted that the said Deeds/Agreements are with respect to the mortgaged properties of the Electrex (India) Ltd., which would affect the recovery of public money of the secured creditors. The Official Assignee has accordingly filed this report seeking the directions as above.

7. Mr. Bhate, learned CCounsel appearing for the Insolvents would submit that he has gone through the rejoinder filed by the Kotak Mahindra Bank and would need some more time to consider filing a sur-rejoinder.



8. *Mr. Sharma, learned Counsel appearing for the Kotak Mahindra Bank vehemently opposes the request and submits that the Kotak Mahindra Bank is a secured creditor and that the properties that have been alienated are the mortgaged assets and that therefore this Court pass directions in terms of prayer clauses (a) to (c) to the Official Assignee's Report.*

9. *Learned Official Assignee submits that the Insolvent No.1 has not been complying with the conditions imposed in Order dated 14th August 2008 and that therefore, the Official Assignee's Report be allowed as prayed for.*

10. *Having heard the learned Official Assignee as well as Mr. Sharma, learned Counsel for the Kotak Mahindra Bank and Mr. Bhate, learned Counsel for the Insolvents, I am of the view that considering the seriousness of the allegations, in inquiry sought pursuant to the Official Assignee's Report deserves to be allowed in terms of prayer clauses (a) to (c) as above. In my view, no useful purpose would be served in permitting the Insolvent No.1 to file sur-rejoinder.*

11. *The show cause notice be made returnable on 18th February 2025.*

12. *Further considering the seriousness of the alleged breaches as noted above, the Insolvent No.1 to cease and desist from acting as Chief Executive Officer as permitted by order dated 14th August 2008, until further orders and even the Company viz., Electrex (India) Ltd. is restrained from in any manner whatsoever, dealing with or disposing of any of their assets, movable or immovable, tangible or intangible, until the next date.*



13. In the interest of justice, Electrex (India) Ltd. be added as party to these proceedings and this Court also directs the assets of the Company viz., Electrex (India) Ltd. be disclosed by the Insolvent No.1 by the next date by way of an Affidavit.

14. Let the Insolvent No.1 continue to remain present in Court on every date when the matter is listed.

15. Let the Insolvent No.2 also remain present in Court on every date when the matter is listed.

16. The Official Assignee's Report accordingly stands disposed as above."

On a bare perusal of the directions extracted above, it clearly demonstrates that the High Court of Bombay, in exercise of its jurisdiction, has passed specific and operative directions declaring that the transactions executed by the insolvent, acting as CEO, are to be treated as null and void and has further directed the jurisdictional Sub-Registrars to take consequential steps.

10. It is not the case of the respondents that the said order has been stayed, modified, or set aside by any



competent forum. The order has attained finality and continues to operate in the field.

11. At this juncture, it becomes necessary to emphasize the scope and import of Article 226(2) of the Constitution of India. Article 226(2) of the Constitution of India reads:

"The power conferred by clause (1) to issue directions, orders or writs... may also be exercised by any High Court exercising jurisdiction in relation to the territories within which the cause of action, wholly or in part, arises..."

This provision was introduced to expand territorial jurisdiction of High Courts and to ensure that effective judicial remedies are not defeated by rigid territorial limitations. The principle underlying Article 226(2) of Constitution of India is two-fold:

- i. Jurisdiction follows cause of action, not merely location of authority.



- ii. Effectiveness of judicial orders transcends territorial boundaries, especially where consequences of actions spill over into other States.

Once a High Court validly exercises jurisdiction and issues directions, such directions bind all authorities to whom they are addressed, irrespective of their physical location, provided the subject matter or its effect falls within their domain.

12. The said provision enables a High Court to exercise jurisdiction if the cause of action, wholly or in part, arises within its territorial limits. Once such jurisdiction is exercised and an order is passed, the efficacy of such an order cannot be confined within the territorial limits of that High Court, particularly when the subject matter of the dispute or its consequences extend beyond such territory.

13. The constitutional scheme does not contemplate a situation where executive authorities located in one



State can ignore or refuse to act upon binding judicial orders passed by a Constitutional Court merely on the ground of territorial location. Such an approach would strike at the very root of the rule of law and the supremacy of judicial orders.

14. The registering authorities under the Registration Act, 1908 are statutory functionaries. They are bound to act in accordance with law and are equally bound to give effect to binding judicial pronouncements. Once the High Court of Bombay has issued a categorical direction to the Sub-Registrars concerned, it is not open for the respondents to sit in judgment over the correctness of the said order or to ignore the same.

15. The obligation of the Sub-Registrar in such circumstances is not discretionary but mandatory. The duty cast upon them is ministerial in nature to give effect to the judicial directive and reflect the legal status of the transactions in the registration records.



16. The inaction on the part of the respondents, despite communication of the order and subsequent representation by the petitioner, amounts to wilful disobedience of a binding judicial order and is wholly untenable.

17. Applying the aforesaid principles to the facts of the present case, this Court is of the considered view that the High Court of Bombay, having validly exercised jurisdiction in insolvency proceedings wherein the borrower and its management were adjudicated insolvent, was fully competent to issue consequential directions in respect of the properties forming part of the secured assets, notwithstanding that such properties are situated outside its territorial limits. The subsequent alienation of the secured assets at Bengaluru is not an independent or disconnected transaction, but forms an integral part of the same chain of cause of action arising out of the insolvency proceedings and the rights of the secured creditor. In that view of the matter, the directions issued by the High



Court of Bombay, particularly to the jurisdictional Sub-Registrars, are binding and enforceable upon the authorities in the State of Karnataka. It is trite that orders passed by Constitutional Courts carry binding force cannot be ignored by executive or statutory authorities on the specious plea of territorial limitations. The registering authority, functioning under the Registration Act, 1908 performs a statutory and largely ministerial duty in maintaining public records of transactions, and once a competent Constitutional Court has declared certain transactions to be null and void and has issued specific directions to give effect to such declaration, the authority is left with no discretion in the matter.

18. Compliance with such judicial directions is not optional but mandatory. Any refusal or inaction on the part of the Sub-Registrar would amount to sitting in appeal over a binding judicial order, which is impermissible in law, and would strike at the very foundation of the rule of law. Article 226(2) of the Constitution of India is designed



precisely to obviate such jurisdictional impediments and to ensure that judicial remedies are effective and meaningful; therefore, once a part of the cause of action is established and jurisdiction is assumed, the efficacy of the writ issued cannot be curtailed by territorial boundaries. Consequently, this Court holds that the respondent authorities are under a constitutional and statutory obligation to give full effect to the directions issued by the High Court of Bombay and cannot evade compliance on any ground whatsoever.

19. This Court is of the considered view that when a Constitutional Court issues directions touching upon immovable properties and statutory records situated in another State, the executive authorities within whose jurisdiction such properties are located are duty-bound to implement the same in letter and spirit. Any failure to do so would render the administration of justice ineffective.



20. Upon a comprehensive consideration of the constitutional scheme under Article 226(2) of the Constitution, the judicial precedents governing the field, and the factual matrix of the present case, the following conclusions emerge:

(i) Article 226(2) embodies a purposive expansion of jurisdiction, enabling High Courts to exercise writ jurisdiction where even a part of the cause of action arises within its territory, thereby ensuring that justice is not constrained by rigid territorial boundaries.

(ii) The concept of cause of action is to be construed liberally and pragmatically, and where a chain of events forms a continuous transaction spanning multiple States, each component constitutes a material part of the cause of action.

(iii) Once a High Court validly assumes jurisdiction and issues directions, such directions are not territorially confined, but are capable of enforcement



wherever their implementation is required, particularly when the subject matter of the dispute extends beyond one State.

(iv) Orders of Constitutional Courts carry binding force on all executive and statutory authorities, and such authorities cannot evade compliance on the ground that they are situated outside the territorial limits of the issuing Court.

(v) The Sub-Registrar, being a statutory authority discharging ministerial functions under the Registration Act, 1908, is bound to give effect to judicial directions, especially where such directions pertain to the validity of registered documents and entries in public records.

(vi) Any refusal or inaction on the part of the registering authority amounts to a failure of constitutional duty, undermines the authority of judicial institutions, and strikes at the rule of law.



(vii) In the present case, the insolvency proceedings before the High Court of Bombay and the subsequent alienation of secured assets in Bengaluru form part of the same cause of action, thereby rendering the directions issued by the Bombay High Court fully binding on the registering authorities in Karnataka.

(viii) Consequently, the respondent authorities are under an unequivocal constitutional and statutory obligation to implement the directions issued by the High Court of Bombay, and any delay or failure in doing so warrants judicial correction by issuance of a writ of mandamus.

(ix) In sum, Article 226(2) operates as a constitutional mechanism to ensure that judicial remedies are real, effective, and enforceable across territorial lines, and the present case exemplifies the necessity of such a provision to uphold the supremacy of law and the efficacy of judicial process.



21. In view of the aforesaid discussions, this Court finds that the petitioner has made out a clear case for issuance of a writ of mandamus. Accordingly, this Court proceeds to pass the following:

ORDER

- (i) The writ petition is ***allowed***.
- (ii) A writ of mandamus is issued directing respondent Nos.1 and 2, and the jurisdictional Sub-Registrars, to forthwith give effect to the directions issued by the High Court of Bombay, including recording appropriate entries in the registration records declaring the subject sale deeds and agreements as null and void.
- (iii) The respondents shall consider the petitioner's representation dated 11.04.2025 (Annexure-J) and complete the exercise within a period of four weeks



from the date of receipt of a certified copy of this order.

(iv) The inaction on the part of the registering authorities, despite clear judicial directions, warrants imposition of costs. Accordingly, respondent authorities shall pay costs of Rs.25,000/- to the petitioner within four weeks.

(v) It is made clear that any further non-compliance shall be viewed seriously and may invite appropriate proceedings in accordance with law.

**Sd/-
(SACHIN SHANKAR MAGADUM)
JUDGE**

ALB
List No.: 2 Sl No.: 102