



WA No. 733 of 2026

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IN THE HIGH COURT of JUDICATURE AT MADRAS

DATED: 20-04-2026

CORAM

THE HON'BLE MR JUSTICE R. SURESH KUMAR

and

THE HON'BLE MR.JUSTICE N.SENTHILKUMAR

WA No.733 of 2026

and

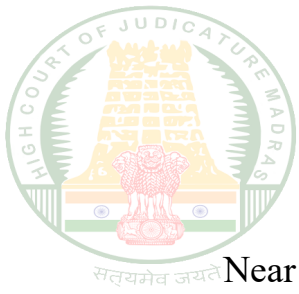
CMP No.7469 of 2026

State Bank of India,
Rep. by its Assistant General Manager,
Chengalpattu Branch,
No.9, Vardha Reddy Street,
Chengalpattu,
Kanchipuram District 603 001.

..Appellant(s)

Vs

1. Chengalpet Steel Rolling Mill,
Rep. by its Partner, M.Ugamraj,
19/7, Thiru Nagar, Phase III,
Near Nathamuni Theatre,
Villivakkam,
Chennai 600 049
2. The Sub Registrar
Chengalpattu Joint-II,
Kancheepuram High Road,
Natham, Chengalpattu 603 001,
Kancheepuram District
3. B. Mahaveer
Partner, Harman Industries,
No.35/32, Olympic Colony,



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Near D.A.V. Boys School,
Anna Nagar West, Chennai 600 050.

..Respondent(s)

Prayer: Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 18.09.2025 passed in W.P.No.11343 of 2017.

For Appellant(s): Mr.M.L.Ganesh

For Respondent(s): Ms.K.Aswini Devi,
Additional Government Pleader for R2

JUDGMENT

(Judgment of the Court was delivered by N.SENTHILKUMAR J.)

This intra court appeal has been filed challenging the order passed by the Writ Court in W.P.No.11343 of 2017 dated 18.09.2025.

2.Ms.K.Aswini Devi, learned Additional Government Pleader takes notice for the 2nd respondent. In view of the order that is going to be passed in this Appeal at the admission stage, notice to the respondents 1 & 3 are dispensed with.

3.1.The case of the 1st respondent/writ petitioner before the Writ Court was that he had originally availed loan from the appellant bank by mortgaging



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his property, admeasuring 2 acres 33 cents comprised in Survey Nos.407/11A, 407/8, 401/A, 407/10C, situated at Chettypunyam Village, No.71, Chengalpattu Taluk, Kanchipuram District. Based on the said mortgage, title deeds were deposited with the appellant herein. It is the case of the writ petitioner that he was unable to pay the loan amount and therefore, committed default. Thereafter, the appellant filed a Suit in O.S.No.25 of 1979 for foreclosure of the said mortgage and the same was decreed on 08.03.1982. Based on the decree, the appellant filed E.P.No.32 of 1985 in O.S.No.25 of 1979 to execute the said decree.

3.2.During the pendency of the execution proceedings, certain third parties were brought on record. According to the 1st respondent/petitioner, he had originally entered into an agreement for sale with the 8th defendant in the suit. Thereafter, the said agreement was made over in favour of the 9th defendant, who is the 3rd respondent herein. The said 3rd respondent was subsequently impleaded in the execution proceedings. Pursuant to such arrangement, the 3rd respondent paid the balance decretal amount of Rs.9,46,000/- to the appellant. On that basis, the appellant filed a full satisfaction memo. Recording the same, the Execution Court terminated the



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execution proceedings by an order dated 25.09.1997. According to the 1st respondent/petitioner, once the entire decretal amount was settled and the execution proceedings stood closed, the appellant had no further right or interest over the mortgaged property.

3.3.However, even after the said full satisfaction, the appellant failed to return the original title deeds to him. On the contrary, in collusion with the 3rd respondent, the appellant handed over the original title deeds relating to the subject property to the 3rd respondent. It is the specific case of the 1st respondent/writ petitioner that the subject property was never brought to sale in the execution proceedings and no auction was conducted at any point of time. After a lapse of nearly 19 years from the date of termination of the execution proceedings, the 3rd respondent initiated a pre-litigation complaint before the Lok Adalat on 02.09.2016, seeking execution of the sale deed in his favour. On the very same day, the Appellant and the 3rd respondent entered into a compromise and filed a compromise memo before the Lok Adalat, wherein an award was passed on 02.09.2016 in L.S.P. No.1604 of 2015.

3.4.Based on the said award, the appellant issued a sale certificate dated



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09.09.2016 in favour of the 3rd respondent and the same was presented for registration before the 2nd respondent, who registered the document as Document No.3 of 2017 on 08.03.2017. The 1st respondent/writ petitioner would further contend that the appellant had also issued a “No Objection” letter confirming that it has no right over the property and raised no objection in transforming the subject property in favour of the 3rd respondent.

3.5.The 1st respondent/writ petitioner further contended that the award was passed by the Lok Adalat, based on the compromise entered into between the appellant and 3rd respondent. However, the same cannot bind the 1st respondent/petitioner, who was not a party to the said proceedings. The said Lok Adalat award passed in the absence of the 1st respondent/writ petitioner is non est in law. On the above grounds, the 1st respondent/writ petitioner has challenged the award dated 02.09.2016 passed by the Lok Adalat and the consequential sale certificate dated 09.09.2016 issued by the appellant and registered by the 2nd respondent herein.

4.It is the case of the writ petitioner that once the appellant bank filed a full satisfaction memo, it ought not to have issued any “No Objection



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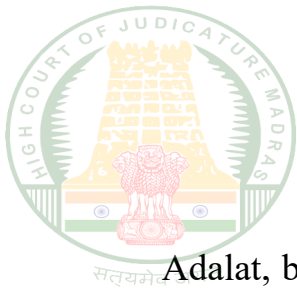
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certificate” in favour of the 3rd respondent. The writ petitioner, therefore, questioned the conduct of the appellant in enabling the transfer of property based on Lok Adalat proceedings. The Writ Court took into consideration of all the facts and circumstances and the submission made by both parties, allowed the Writ Petition. Hence, the Appellant bank approached this Court by way of the present Writ Appeal.

5.Heard the parties appearing on either sides.

6.The learned counsel for the appellant submitted that the writ Court has miserably failed to consider that after termination of the EP proceedings, there also existed a tripartite arrangement between the 3rd respondent, appellant and the 9th defendant in the Suit. Based on the same, a pre-litigation complaint was preferred before the Lok Adalat and cognizance was taken based on the said tripartite arrangement. Thereafter, the Lok Adalat passed an order dated 02.09.2016.

7.It is the case of the appellant that the writ court has failed to consider the fact that a tripartite arrangement which reflected in the proceedings of Lok



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Adalat, based on which the mortgage amount was settled by the 3rd respondent.

The Writ Court cannot go beyond the scope of the setting aside the order passed by the Lok Adalat, unless a fraud has been played in obtaining the award before the Lok Adalat. However, without such findings, the Writ Court has set aside the award passed by the Lok Adalat. Therefore, the present appeal has been filed. We are not impressed with the submissions made by the learned counsel for the appellant as the Writ Court has considered the entire issue in toto.

8.The Writ Court took the following issues for consideration:

“(i) Whether the award passed by the Lok Adalat is in accordance with law.

(ii) Whether the second respondent can execute the sale certificate in respect of the subject property in favour of the third respondent without bringing the suit property for auction sale.”

9.For the above two issues, the Writ Court held that the Lok Adalat award was passed without making the writ petitioner, who is the owner of the property, as a party to the proceedings. In respect of the second issue, the Writ Court concluded that the appellant had no authority to issue a sale certificate in favour



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of the 3rd respondent, without conducting an auction sale. The Writ Court also decided that, mere settlement of the decretal amount by the 3rd respondent would not confer any right over the property.

10.The writ Court further noted that the sale certificate was not issued by a competent authority and that the appellant bank could not have issued the same without bringing the subject property to auction. Termination of execution proceedings is entirely different from issuing No Objection Certificate, enabling transfer of the mortgaged property in favour of a third party by the appellant. Such action is beyond the scope of the jurisdiction of the appellant.

11.It is not in dispute that the appellant had received the entire decretal amount. Once the amount was settled, the appellant could not have entered into any agreement with the 3rd respondent, which facilitated registration of the property through Lok Adalat settlement.

12.It is to be noted that the appellant bank had gone beyond the jurisdiction in issuing the No Objection Certificate and in enabling the registration of the property in favour of the 3rd respondent through the Sub



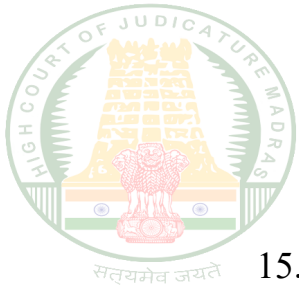
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Registrar/2nd respondent.

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13.The Writ Court has rightly held that arrangement between the appellant and the 3rd respondent, without making the writ petitioner as a party, is non est in the eye of law. The appellant could not have issued a No Objection Certificate in the absence of a valid sale conducted by a competent authority, through auction. Therefore, the writ Court has rightly allowed the writ petition filed by the contesting 1st respondent/writ petitioner.

14.It is strange to see the procedure adopted by the appellant that the execution proceedings was terminated based on the full satisfaction of the decree. The No Objection certificate issued by the Appellant, which allowed the 3rd respondent to register the property, which was mortgaged before the appellant by the 1st respondent/writ petitioner. If at all there was any grievance to the appellant, in the EP proceedings, the same has to be agitated only by way of Civil Revision Proceedings, questioning the legality in the order passed in the Execution Court, after filing Execution Appeal against the order of the Execution Court.



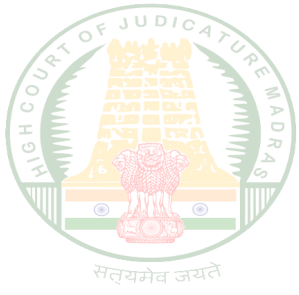
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15. In view of the same, we are in complete agreement with the findings given by the Writ Court. There is no error apparent either on facts or on law and therefore, this Writ Appeal is dismissed. No costs. Consequently, connected Miscellaneous Petition is closed.

(R.S.K.,J.) (N.S.,J.)
20-04-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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To

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Rep. by its Partner, M.Ugamraj,
19/7, Thiru Nagar, Phase III,
Near Nathamuni Theatre,
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2.The Sub Registrar
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