



6.R.Saraswathi

7.S.Santha

8.A.Chandra

... Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, pleased to issue a Writ of Mandamus, directing the 1st respondent to delete the entry of the settlement deed dated 29.07.2015 registered as Document Nos.1576 of 2015, 1577 of 2015, 1578 of 2015 along with its related transactions and consequently, to register the Sale certificate issued by the petitioner in favour of the Auction Purchaser.

For Petitioner : Ms.Ananda Gomathy Murugesan

For Respondents : Mr.U.Baranidharan,
Special Government Pleader for R1

Mr.B.Gurumurthy for R2 to R4

Mr.K.Narayanan for R6 to R8



ORDER

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One Mr.Srinivasan, Proprietor of M/s.Vetrivel Kumaran Modern Rice Mill, had obtained loan facilities from Lakshmi Vilas Bank. In relation thereto, an equitable mortgage was created in favour of the lender, as evidenced by the memorandum of deposit of title deeds dated 16.09.2010. Subsequent thereto, settlement deeds dated 29.07.2015 were executed *inter alia* in relation to the property forming the subject of the mortgage.

2. Meanwhile, Lakshmi Vilas Bank was merged with DBS Bank on 27.11.2020. The relevant loan accounts, which had become non-performing assets, were assigned by DBS Bank to the petitioner under the relevant provisions of the SARFAESI Act. The petitioner conducted an e-auction sale and sold the mortgaged assets for Rs.5,07,50,000/- to one R.Anbazhagan. Upon presentation of the sale certificate for registration, the petitioner was informed that settlement deeds are reflected in the register of encumbrances. The present writ petition has been filed in the said facts and circumstances.



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3. Learned counsel for the petitioner submits that the records show that the mortgage is prior to the settlement deeds. She relies on the memorandum of deposit of title deeds to substantiate this contention. She has handed over a copy of sale certificate dated 22.08.2025 and points out that the four month window for registration is likely to close soon.

4. Learned counsel for respondents 2 to 4 opposes the petition. He points out that the lender was fully aware about the execution of settlement deeds. He also submits that the settlement deeds were not disclosed in the sale notice and documents pertaining to the auction sale of the property. He further submits that the registering officer does not have the power to adjudicate questions of title and delete the entry pertaining to the settlement deeds.

5. Learned counsel for respondents 6 to 8 submits that the mortgaged property is only one of the properties dealt with in the relevant settlement deeds. Therefore, he submits that the settlement deeds should not be invalidated.



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6. The petitioner has filed the memorandum of deposit of title deeds.

This document was executed on 16.09.2010 by Mr.Subramanian to and in favour of the Lakshmi Vilas Bank. Upon the loan account becoming a non performing asset, the record shows that a demand notice under Section 13(2) of the SARFAESI Act was issued and that a possession notice and sale notice were also issued thereafter. The settlement deeds were executed in July 2015, which is clearly subsequent to the creation of the mortgage in 2010. Any mortgage attaches itself to and travels with the relevant property so as to be enforceable against the property, including in the hands of a transferee thereof. Consequently, the rights of such transferees would be subservient to the rights of the mortgagee under the prior mortgage deed.

7. As regards the request to delete the entries pertaining to the settlement deeds, in effect, it is a request for cancellation of the settlement deeds. Such cancellation cannot be effected by the registering officer under the provisions of the Registration Act, 1908. Hence the said request cannot be countenanced.



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8. For reasons discussed above, the petitioner is entitled to register the sale certificate subject to compliance with other requirements in that regard. Therefore, this writ petition is disposed of by directing the registering authority to take necessary measures for the registration of the sale certificate within ***one week*** from the date of re-presentation thereof. No costs.

16.12.2025

rna

Index : Yes / No

Internet : Yes / No

Neutral Citation: Yes / No

To

The Sub Registrar,
Tindivanam Joint-II,
373, Nehru Veedhi,
Taluk Office Campus,
Tindivanam – 604 001.



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SENTHILKUMAR RAMAMOORTHY,J

rna

W.P.No.39045 of 2025

16.12.2025