

THE HON'BLE SRI JUSTICE M.S.RAMACHANDRA RAO

WRIT PETITION No.42006 of 2017

ORDER:

Heard the learned counsel for petitioners and the learned Government Pleader for Assignment appearing for respondents.

2. Petitioners have filed this Writ Petition aggrieved by the action of 3rd respondent in refusing to register a document presented by 1st petitioner in favour of 2nd respondent on the ground that the property which is subject matter of the said document is Government assigned land.

3. Petitioners contend that no doubt the land was originally assigned to one Chikatipalle Chengalayulu by the then Tahsildar of Chinnagattipgallu Mandal, Chittoor District, but the said land had been mortgaged by the said individual to the District Cooperative Central Bank Limited, Chittoor and on default committed by him to the said bank of the loan amount, the property was put to auction and petitioners purchased it in the sale conducted under the provisions of the A.P. Cooperative Societies, Act, 1964 on 31-05-2011 by paying full consideration.

4. Petitioners contend that a Division Bench of this Court in **Sub-Registrar, Srikalahasti, Chittoor District and another Vs. K.Guravaiah and another¹** has held that assigned land can be mortgaged to banks and Cooperative societies for loan amounts and if

¹ 2009(2) ALD 250 (DB)

there is default in payment of loan amount, to recover the loan amount they can be sold and such sales will be valid. It also held that mortgage in favour of Bank would not be alienation as per Section 2(1) of A.P. Assigned Lands (Prohibition of Transfers) Act, 1977 and Section 5 of the said Act also would not operate in such circumstances.

5. This legal position is not disputed by the learned Government Pleader for Assignment.

6. Accordingly, the Writ Petition is allowed, the action of 3rd respondent in refusing to register the conveyance deed executed by 1st petitioner in favour of 2nd petitioner in respect of the subject land is set aside and 3rd respondent is directed to register the said document, if presented by petitioners, within four (04) weeks of such presentation in accordance with provisions of Registration Act, 1908 and Stamp Act, 1899 without reference to the prohibitory list communicated by the District Collector, Chittoor to the 3rd respondent. The 1st respondent shall also pay costs of Rs.1,000/- (Rupees One Thousand only) to the 1st petitioner.

7. As a sequel, the miscellaneous petitions, if any pending, shall stand closed.

JUSTICE M.S.RAMACHANDRA RAO

Date: 18-12-2017
Vsv/*