

* IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND THE STATE OF ANDHRA
PRADESH

* HONOURABLE SRI JUSTICE V.RAMASUBRAMANIAN
AND

* HONOURABLE SRI JUSTICE P. KESHA RAO

+ W.P.No.44014 of 2018

% Date: 19-12-2018

Between:

Andhra Bank, Munagala Branch,
Munagala Post, Munagala Mandal,
Suryapet District, rep by its
Authorised Officer.

.... Petitioner

And

1. The Commissioner and Inspector General of Registration and Stamps, 5-3-953, Registration Bhavan, 4th & 5th floor, N.S. Road, Osmangunj, M.J. Market, Hyderabad – 500 001.
2. The District Registrar of Assurances, Nalgonda, Nalgonda District.
3. The Sub Registrar Assurances, Kodad SRO, Kodad Post, Suryapet District, T.S.
4. The Registrar of Chits / Arbitrator, Vijayawada Post, Krishna District, A.P.
5. M/s. Margadarsi Chit Funds Private Limited, Registered office at 40-1-21/2, Banda Road, Catholic Centre, Sriram Nagar, Labbipet, Vijayawada Pin-520010, Krishna District, A.P. rep. by its Manager.
6. M/s. Sri Chandana Parboiled Rice Mill, Survey No.201, Munugala Village, Suryapet District, rep. by its Managing Partner Sri I. Venkateshwarulu, S/o. late Ramaiah.
7. Immadi Harish, S/o. Venkateshwarlu, Managing Partner M/s. Priyadarshini Fertilizers, H.No.2-344, Resident of Munagala, Munagala Mandal, Suryapet District.

... Respondents

! Counsel for the Petitioner : Mrs. V. Dyumani

^ Counsel for Respondents 1 to 3: G.P. for Revenue (Telangana)

^ Counsel for Respondent No.4 : G.P. for Revenue (A.P)

^ Counsel for Respondent No.5 : Mr. P. Durga Prasad

< GIST:

> HEAD NOTE:

? Cases referred

HONOURABLE SRI JUSTICE V. RAMASUBRAMANIAN
AND
HONOURABLE SRI JUSTICE P. KESHA RAO

W.P.No.44014 of 2018

ORDER: (Per VRS,J)

The Andhra Bank has come up with the above writ petition challenging the refusal of the sub-Registrar to register a sale certificate issued in favour of the auction purchaser.

2. Heard Mrs. V. Dyumani, learned counsel for the petitioner, learned Government Pleader for Revenue (Telangana) for respondents 1 to 3, learned Government Pleader for Revenue (A.P.) for the 4th respondent and Mr. P. Durga Prasad, learned counsel for the 5th respondent.

3. The property in question was mortgaged in favour of the petitioner-bank, on 30.08.2013. The mortgage was created by the 7th respondent borrower.

4. Since the account of the 7th respondent became a non-performing asset, the Bank initiated measures in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Possession notice was issued on 22.03.2018. One Mr. Chillamcherla Prabhakar became the highest bidder and the sale was confirmed in his favour.

5. But, the Sub-Registrar is refusing to register the sale certificate on the ground that an order of attachment was passed by the 4th respondent Registrar of Chits on an application filed by the 5th respondent-company on 27.08.2016. But the order of attachment is obviously subsequent in point of time to the mortgage. Therefore, the

claim of the 5th respondent cannot take precedence over the mortgage in favour of the Bank.

6. The only thing that the 5th respondent can seek is the payment of any surplus, after adjustment of all the dues by the Bank.

7. Therefore, the writ petition is disposed of directing the Sub-Registrar to register the sale certificate. However, if after adjustment of the entire loan amount, any surplus money remains out of the auction sale proceeds, the Bank shall not pay it to the 7th respondent borrower but shall pay it to the 5th respondent-company, after notice to the 7th respondent. There will be no order as to costs.

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

V. RAMASUBRAMANIAN, J.

P. KESHA RAO, J.

19th December, 2018
Js.



HONOURABLE SRI JUSTICE V. RAMASUBRAMANIAN
AND
HONOURABLE SRI JUSTICE P. KESHA RAO

W.P.No.44014 of 2018



19th December, 2018

Js.