IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

THURSDAY, THE NINETEENTH DAY OF DECEMBER
TWO THOUSAND AND TWENTY FOUR

PRESENT

THE HONOURABLE SRI JUSTICE N.V. SHRAVAN KUMAR

WRIT PETITION NO: 35275 OF 2024

Between:

Kanakadurga Chit Funds Pvt. Ltd, A Private Limited Company, having its registered office at 5-11-503 and 504, Kandakatla Gateway, KUC X Road, Hanumakonda, Warangal, Telangana - 506001. Rep., through its Director, Kondam Kamalakar, Aged about 33 years, S/o.Ravinder Reddy, Occ. Business, R/o. H.No.35-5-136/v9, Siris Inhava Villas, Gopalpur, Hanumakonda, Telangana State.

...PETITIONER

AND

1. State of Telangana, Rep. by its Principal Secretary to Government, Revenue (Stamps and Registration), Secretariat, Hyderabad, Telangana State
2. Commissioner and Inspector General/Registrar of Chits, Stamps and Registration, M.J. Road, Hyderabad, Telangana.
3. Deputy Registrar of Chits (District Registrar), Warangal at Registrar Office, Hanumakonda, Telangana.
4. Assistant Registrar of Chits, Warangal at Registration Office, Hanumakonda, Telangana.

...RESPONDENTS

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue an order, direction or Writ more particularly one in the nature of Writ of Mandamus or any other appropriate writ a. To declare the action of the Respondents in not releasing the security deposit made in terms of Chapter III of the Rules, 2008 on termination of the chits as being illegal, arbitrary and amounts of dereliction of statutory duties as mandated in Chit Funds Act, 1982 and in violation of Article 19(1)(g) of the Constitution of India, and b. To direct the Respondents herein to forthwith release the security of 1,70,50,000 (One Crore Seventy Lakhs Fifty Thousand Rupees in words) deposited by the Petitioner consequent on termination of the chit groups together with interest accrues thereon, and c. To award costs quantified at Rs.10,00,000/- (ten lakh rupees in words) or any other higher amounts for the undue delay in releasing the amounts.

IA NO: 1 OF 2024

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to direct the Respondents herein to release the security deposit of Rs.1,70,50,000/- (One Crore Seventy Lakhs Fifty Thousand Rupees in words) by considering the representation dated 16.10.2024 submitted by the Petitioner herein.

Counsel for the Petitioner: SRI SAI PRASEN GUNDAVARAM

Counsel for the Respondents: ASST. GP FOR STAMPS AND REGISTRATION

The Court made the following: ORDER

THE HONOURABLE SRI JUSTICE N.V.SHRAVAN KUMAR

WRIT PETITION No.35275 of 2024

ORDER:

Heard learned counsel for the petitioner and Learned Assistant Government Pleader for Stamps and Registration appearing for respondents. With their consent, the writ petition is being taken up for disposal at the admission stage.

2. This Writ Petition is filed praying to:

"declare the action of the Respondents in not releasing the security deposit made in terms of Chapter III of the Rules, 2008 on termination of the chits as being illegal arbitrary and amounts of dereliction of statutory duties as mandated in Chit Funds Act, 1982 and in violation of Article 19(1)(g) of the Constitution of India and to direct the Respondents herein to forthwith release the security of 1,70,50,000 deposited by the petitioner consequent on termination of the chit groups together with interest accrues and to award costs quantified at Rs 10,00,000 for the undue delay in releasing the amounts."

3. Brief facts rising to file this writ petition are that petitioner is a registered Chit Company incorporated under the Companies Act, 2013 represented by its Director, Sri Kondam Kamalakar and carrying on chit fund business in the name of Kanakadurga Chit Funds. The petitioner further submits he has called for subscription and has diligently compiled with all statutory obligation under the Chit Funds Act, 1982 and relevant rules there under including depositing of Fixed Deposit Receipts (FDRs) as security for registered chit groups with the

Assistant Registrar of Chit, Warangal in terms of Chapter III of AP Chit Fund rules 2008. The petitioner further submits that said chits have been depositing in terms of Section 20 of the Chit Fund Act, 1982 and the Rules 22 of the Rules 2008 is for release of security deposit made under Section 20 of the Act. On termination of the chits, the petitioner made application under Rule 22 of the Rules 2008 and the registrar has to follow the procedure as specified of Rule 24 of Rules 2008 by displaying a notice inviting objection from the subscribers to the specified chits and thereafter release the security together interest accrued therein.

4. Sri G.Vidya Sagar, learned counsel for the petitioner would further submit that petitioner has deposited a sum of Rs.1,70,50,000/- for 63 chit groups during the period September 2018 to October 2018 and the said chits were terminated during the year 2023-2024. Upon termination of each chit, the petitioner has submitted an application to the registrar for release of security deposit along with the declaration statement that the petitioner has cleared all dues to its subscribers. Subsequently, petitioner made an application, dated 16.10.2024 seeking for release of security deposit, but till date the respondent No.4 has not considered the petitioner representation. Aggrieved by the same, this writ petition is filed.

5. Learned Senior counsel for the petitioner would submit that the limited grievance of the petitioner is that the respondent No.4 has not considered the petitioner's representation dated 16.10.2024 till date, hence pray this Court to

direct the respondent authorities to consider the petitioner's representation dated 16.10.2024 and pass appropriate orders in a time bound period.

6. Learned Assistant Government Pleader appearing for respondents submits that if the said petitioner's representation is still pending for consideration, the respondent authorities may be directed to dispose of the petitioner's representation, dated 16.10.2024 and pass appropriate orders in accordance with law.

7. In view of the submission made by learned counsel appearing on either side and without expressing any opinion on the merits of the case, this writ petition is disposed of, directing the respondent authorities to dispose of the petitioner's representation dated 16.10.2024 and pass appropriate orders in strictly in accordance with law, as expeditiously as possible, preferably within a period of four (04) weeks from the date of receipt of copy of this order and communicate the same to the petitioner.

8. Accordingly this writ petition is disposed of. Miscellaneous applications, if any pending, shall stand closed. No order as to costs.

SD/-A.V.S. PRASAD
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Principal Secretary to Government, Revenue (Stamps and Registration), State of Telangana, Secretariat, Hyderabad, Telangana State
2. Commissioner and Inspector General/Registrar of Chits, Stamps and Registration, M.J. Road, Hyderabad, Telangana.
3. Deputy Registrar of Chits (District Registrar), Warangal at Registrar Office, Hanumakonda, Telangana.
4. Assistant Registrar of Chits, Warangal at Registration Office, Hanumakonda, Telangana.
5. One CC to SRI SAI PRASEN GUNDAVARAM, Advocate [OPUC]
6. Two CCs to GP FOR STAMPS AND REGISTRATION, High Court for the State of Telangana. [OUT]
7. Two CD Copies

BN
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HIGH COURT

DATED:19/12/2024



ORDER

WP.No.35275 of 2024

DISPOSING OF THE WRIT PETITION WITHOUT COSTS

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08/10/25