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

TUESDAY, THE NINTH DAY OF DECEMBER
TWO THOUSAND AND TWENTY FIVE

PRESENT

THE HONOURABLE SRI JUSTICE K. SARATH

WRIT PETITION NO: 9373 OF 2024

Between:

M/s IDFC First Bank Limited, A company incorporated under Companies Act, having its Regd. Office at Mumbai. Branch at IDFC First Bank Limited O/o- D. No.1-10-63/1/1, First Floor, Veer Chambers, Chikoti Gardens, Begumpet, Hyderabad. Represented by their Authorised Representative, Rajshekar Shukla, S/o. D. M. Shukla

...PETITIONER

AND

1. State of Telangana, Rep by its Principal Secretary, Revenue, Stamps and Registration Department, Secretariat, Hyderabad.
2. The Commissioner and Inspector General, Registration and Stamps Department, P. No. 5- 3- 953, Nizam Shahi Road, Mozamjahi Market, Herza Estate, Risala Abdullah Colony, Jam Bagh, Hyderabad.
3. The District Registrar, Stamps and Registration Department, Ranga Reddy District.
4. The Sub- Registrar - Golconda- SRO, Stamps and Registration Department.
5. The Deputy Registrar of Chits/ Arbitrator, Erragadda, Hyderabad.
6. M/s Margadarsi Chit Funds Private Limited, Represented by its Foreman/ Branch Manager Santosh Nagar Branch, Hyderabad
7. Mr. A. Saravan Kumar, S/o Mr. A. Anjaiah, Age 48 yrs Occ Business R/ o. 11-14-446/2, Srinagar Colony, L. B. Nagar, Hyderabad.

...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 appropriate Writ, order or direction particularly one in the nature of Writ of Mandamus declaring the action respondent No. 4 in refusing to register the sale deed in favor of Auction stating that the property is under attachment as per the orders dt. 31-12-2020 passed by the Deputy Registrar of Chits/

Arbitrator, Erragadda, Hyderabad (South), as arbitrary, illegal, unconstitutional and contrary to Law and violative of Principles of natural justices and consequently direct the respondent No. 4 to receive and register the Sale Deed produced by the Petitioner.

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 respondent No. 4 to receive and register the Sale Deed produced by the Petitioner, pending disposal of the above Writ Petition.

Counsel for the Petitioner: SRI V.SANTOSH

Counsel for the Respondent No.1 to 5: AGP FOR STAMPS & REGISTRATION

Counsel for the Respondent No.6: SRI P.DURGA PRASAD

The Court made the following: ORDER

IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD

THE HON'BLE SRI JUSTICE K.SARATH

WRIT PETITION No.9373 of 2024

Date: 09.12.2025

Between:

M/s. IDFC First Bank Limited

...Petitioner

AND

The State of Telangana, Rep. by its Principal Secretary,
Revenue, Stamps and Registration Department,
Secretariat, Hyderabad & Six others

...Respondents

ORDER:

Heard Sri V.Santosh, learned Counsel for the petitioner, learned Assistant Government Pleader for Stamps and Registration appearing for respondent Nos.1 to 5, Sri P.Durga Prasad, learned Counsel for respondent No.6 and perused the entire material on record.

2. Learned Counsel for the petitioner submits that the petitioner filed the present Writ Petition seeking to declare the action of respondent No.4 in refusing to receive and register the sale deed presented by the auction purchaser in view of the sale certificate issued by the petitioner-Bank in respect of the property bearing Unit No.G-4, H.No.13-1-21/4 (Old H.No.1-21/4), PTIN No.1039900440,

in Dream Home Prabhat Towers, having plinth area of 550 Sq.ft, along with an undivided share of land admeasuring 18.00 Sq.yards (equivalent to 15.04 Sq.meters) out of land of 629 Sq.yards, on Plot Nos.41 and 42 in Sy.No.123, situated at Prabhathi Nagar, Giaddiannaram Village, Saroornagar Revenue Mandal, under GHMC L.B.Nagar Circle, Ranga Reddy District (for brevity, "the subject property") stating that the subject property is under attachment as per the orders dated 24.11.2022 passed by the Deputy Registrar of Chits/Arbitrator, Erragadda, Hyderabad (South) as illegal and arbitrary.

3. Learned Counsel for the petitioner further submits that the respondent No.7 obtained a housing loan of Rs.21,00,000/- *vide* Loan Sanction Letter dated 03.02.2024 from the petitioner-Bank by mortgaging the subject house property by way of a Memorandum of Deposit of Title Deed dated 09.07.2018 *vide* Document No.3734 of 2018 in favour of the petitioner-Bank.

4. Learned Counsel for the petitioner further submits that due to default in repayment and adherence to the terms of the loan agreement, the petitioner-Bank initiated legal proceedings against the respondent No.7 and obtained orders in its favour and were in the process of selling the property to one Mr. Mohammed Jahangeer Pasha, the highest bidder in the auction *vide* sale certificate dated

21.12.2023 and subsequently, had approached the Sub-Registrar for registering the subject property in his favour. However, the petitioner was informed by respondent No.4-Sub Registrar that the registration of the subject property was withheld due to an attachment order dated 24.11.2022 passed by the Deputy Registrar of Chits/Arbitrator, Erragadda, Hyderabad, in I.A.No.31 of 2020 in Arb.CF.No.502 of 2019 in favour of respondent No.6-M/s. Margadarsi Chit Funds Private Limited and in view of the same, the Petitioner-Bank could not register the sale deed.

5. Learned Counsel for the petitioner further submits that the action of respondent No.4 is contrary to the Orders passed by this Court in ***City Union Bank Limited Vs Sub Registrar, Peddapalli and Ors.,***[1] and the same is followed by another Division Bench of this Court in W.P.No.38125 of 2018 dated 14.10.2019. Therefore, learned Counsel prayed this Court to allow the Writ Petition by directing the respondent No.4 to receive and register the sale deed presented by the auction purchaser in view of the sale certificate issued by the petitioner-Bank.

6. On the other hand, learned Assistant Government Pleader for Stamps and Registration submits that in pursuance of the orders dated 24.11.2022 passed by the Deputy Registrar of

[1] 2018 (5) ALT 279

Chits/Arbitrator, Erragadda, in I.A.No.31 of 2020 in Arb.C.F.No.502 of 2019, the respondent authorities have entered the subject property in the prohibitory list and in view of the provisions of the Registration Act, 1908, the respondent No.4-Sub-Registrar, Golconda, is not empowered to delete the subject property from the prohibitory list and requested to dismiss the Writ Petition.

7. Learned Counsel for the respondent No.6 did not dispute the orders passed by this Court in ***City Union Bank Limited*** (supra-1), but requested to direct that, if any surplus amount remains from the auction sale proceeds after adjustment of the entire loan amount, the petitioner-Bank shall pay it to respondent No.6. Learned counsel relied on the order passed by a Division Bench of this Court in W.P.No.22518 of 2024 dated 12.12.2024.

8. After hearing both sides and perusing the material available on record, this Court is of the considered view that there is no dispute with regard to the mortgage of the subject property by respondent No.7 with the petitioner-Bank and respondent No.7's subsequent default in repayment of loan amount. The petitioner-Bank duly followed the procedure contemplated under the SARFAESI Act to take possession and auction the property. However, respondent No.4 refused to register the sale deed presented by the petitioner in favour of the successful bidder on the pretext of the attachment

order dated 24.11.2022 passed by the Deputy Registrar of Chits/Arbitrator, Erragadda, in I.A.No.31 of 2020 in Arb.CF.No.502 of 2019 in favour of respondent No.6. The said contention of respondent No.4 is contrary to the Orders passed by this Court in ***City Union Bank Limited*** (supra-1).

9. The relevant portion of the Judgment in ***City Union Bank Limited*** (supra-1) is as follows:

> *"8. It is needless to observe that the civil Court has no jurisdiction to deal with subject matters pertaining to the SARFAESI Act. In the present scenario, the secured creditor was not a party to the civil suits before the Courts below and thus the orders of attachment before judgment are not binding on the secured creditor/Bank. More so, the cause of action before the Courts below is not within the ambit of SARFAESI Act.*
>
> *10. Upon fair reading of S.O. 219 in the light of Section 64 of CPC, this Court is of the view that it only pertains to a civil dispute between the private parties and it does not include an institutional sale under a statute. Though Section 64 comes into play only after the alienation of the property under attachment amongst the private persons, the said legal position does not create an embargo upon the Registrar to proceed with the registration of sale certificates under the SARFAESI Act as the bank is not a party to the suit and the sale is not being effected by a party to the attachment order.*
>
> *12. In similar circumstances, the Kerala High Court in The South Indian Bank Ltd. v. The Sub Registrar (3) WP (C) No. 3875 of 2017 dated 24.11.2016, considered the question whether a sale certificate is liable to be registered or not in view of the order of attachment before judgment passed by the civil Court and held that the secured creditor is entitled to proceed with the registration and the Registration Authority cannot stall the process of registration under the garb of an order of attachment passed by the civil Court."*

10. The above said finding of the Division Bench of this Court would squarely apply to the instant case and the Registration Authority cannot stall the process of registration of the petitioner-Bank in view of the attachment orders.

11. The relevant portion in paragraph Nos.3 and 4 of the order relied upon by the learned counsel for respondent No.6 in W.P.No.22518 of 2024 dated 12.12.2024 is extracted hereunder:

> *"3. Learned counsel for the parties jointly submit that the controversy involved in the instant petition is squarely covered by an order dated 19.12.2018 passed in W.P.No.44014 of 2018.*
>
> *4. Relevant extract of the order dated 19.12.2018 passed in W.P.No.44014 of 2018 reads as under:*
>
> > *"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."*

12. In the instant case also, the petitioner-Bank followed the provisions of the SARFAESI Act to take possession of the subject property and conduct its auction. In view of the settled law, the respondent authorities have no power to refuse the registration of the sale deed under the SARFAESI Act on the ground of attachment orders of the Civil Court or other authorities in respect of the subject

property. In view of the same, the Registering Authority has to register the sale deed presented by the petitioner-Bank in favour of the auction purchaser, without reference to the attachment order dated 24.11.2022 in I.A.No.31 of 2020 in Arb.CF.No.502 of 2019 on the file of the Deputy Registrar of Chits/Arbitrator, Erragadda.

13. In view of the above findings, this Writ Petition is disposed of directing the respondent No.4-Sub Registrar to register the sale deed presented by the petitioner-Bank in favour of the auction purchaser as per the provisions of the SARFAESI Act, without reference to the attachment order dated 24.11.2022 in I.A.No.31 of 2020 in Arb.CF.No.502 of 2019 on the file of the Deputy Registrar of Chits/Arbitrator, Erragadda. However, if any surplus remains from the auction sale proceeds after adjustment of the entire loan amount, the petitioner-Bank shall pay it not to the respondent No.7 but to respondent No.6-Company, after notice to respondent No.7. There shall be no order as to costs.

Miscellaneous petitions pending, if any, in this Writ Petition, shall also stand closed.

SD/- M. JAWAHAR REDDY
ASSISTANT REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. The Principal Secretary, Revenue, Stamps and Registration Department, Secretariat, Hyderabad, State of Telangana.

2. The Commissioner and Inspector General, Registr ition and Stamps Department, P. No. 5- 3- 953, Nizam Shahi Road, Moza njahi Market, Herza Estate, Risala Abdullah Colony, Jam Bagh, Hyderabad.

3. The District Registrar, Stamps and Registration Depart nent, Ranga Reddy District.

4. The Sub- Registrar - Golconda- SRO, Stamps and Regist ation Department.

5. The Deputy Registrar of Chits/ Arbitrator, Erragadda, Hyd erabad.

6. The Foreman/ Branch Manager, M/s Margadarsi Chit Fi nds Private Limited, Santosh Nagar Branch, Hyderabad

7. One CC to SRI V.SANTOSH, Advocate [OPUC]

8. One CC to SRI P.DURGA PRASAD, Advocate [OPUC]

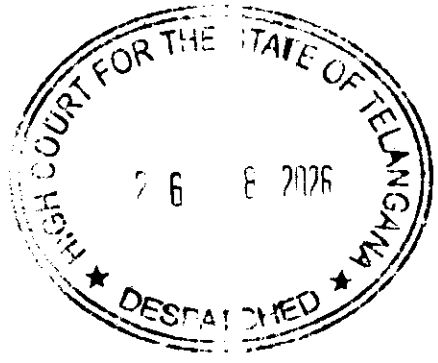
9. Two CCs to GP FOR STAMPS & REGISTRATION, Hig n Court for the State of Telangana at Hyderabad [OUT]

10. Two CD Copies

BSR
GJP

HIGH COURT

DATED: 09/12/2025



ORDER

WP.No.9373 of 2024

DISPOSING OF THE WRIT PETITION,

WITHOUT COSTS

(13)
26/02/26