APHC010466352026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3564]**
(Special Original Jurisdiction)

THURSDAY, THE 15th DAY OF OCTOBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE BATTU DEVANAND

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION NO: 25533/2026

Between:

1. CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED, REP BY ITS AUTHORISED OFFICER, S MADAN MOHAN RAO CENTRA TOWERS, D.NO.12/4,3RD AND 4TH FLOOR, PINNAMANENI POLYCLINIC ROAD, VIJAYAWADA-520010

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, REP.BY ITS PRINCIPAL SECRETARY REVENUE (STAMPS AND REGISTRATIONS) SECRETARY BUILDING, VELAGAPUDI, GUNTUR DISTRICT.
2. THE COMMISSIONER AND INSPECTOR GENERAL OF REGISTRATION AND STAMPS, ANDHRA PRADESH, OFFICE AT TADEPALLI, ANDHRA PRADESH.
3. THE SUBREGISTRAR, REGISTRATION AND STAMPS DEPARTMENT MACHILIPATNAM ANDHRA PRADESH-521101
4. PANDURANGA VITAL KUMAR KARNATAPU, S,O. K.B.RAO, AGED 55 YEARS D.NO.17/ 35, EDEPALLI, MACHILIPATNAM, KRISHNA, ANDHRA PRADESH - 521001
5. BHANUMATHI KARNATAPU, W/O. BALESWARAO KARNATAPU BUDIDI, AGED 76 YEARS D.NO.17/35, EDEPALLI, MACHILIPATNAM, KRISHNA, ANDHRA PRADESH - 521001
6. BALASATHISH KUMAR KARNATAPU, S/O. BALESWARAO KARNATAPU, AGED 50 YEARS, D.NO.17/35, EDEPALLI, MACHILIPATNAM, KRISHNA, ANDHRA PRADESH - 521001.
7. KOTESWARA KUMAR KARNATAPU, S/O. BALESWARAO KARNATAPU, AGED 53 YEARS, D.NO.17/35, EDEPALLI, MACHILIPATNAM, KRISHNA, ANDHRA PRADESH - 521001.

8. KAVITHA KARNATAPU, W/O. K.P.R. VITTAL KUAMR, AGED 45 YEARS, D.NO.17/35, EDEPALLI, MACHILIPATNAM, KRISHNA, ANDHRA PRADESH - 521001
9. JYOTHI KARNATAPU, W/O. K.SRINIVAS, AGED 50 YEARS, D.NO.17/35, EDEPALLI, MACHILIPATNAM, KRISHNA, ANDHRA PRADESH- 521001
10. KOLLIPARA SATYANARAYANA, S/O.K.NAGABHUSHANA RAO, AGE 65 YEARS, D.NO.11 / 220, CHAMMANAGIRIPETA, MACHILAPTNAM ANDHRAPRADESH-521001.
11. PANCHAKARLA VENKATESWARLU, S/O.LATE ANJANEEYULU, AGED 63 YEARS, D.NO.6 /621,JAVVARUPETA,MACHILIPATNAM ANDHRAPRADESH-521001.

...RESPONDENT(S):

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 a writ of mandamus or any other appropriate writ or direction declaring the action of the respondent No.3 in refusing to register the Sale Certificate dated 31.07.2026 as illegal, arbitrary and contrary to the provisions of the SARFAESI Act, 2002 and consequently, direct the Respondent No.2 and 3 to register the Sale Certificate dated 31.07.2026 presented by the petitioner in favor of the Respondent No.10 (Auction purchaser) and further direct the Respondent No.2 and 3 to delete the subject property from the Prohibited/Prohibitory Property List

Counsel for the Petitioner:

1. HEMADRI V S S R R CHANDRAKANTH

Counsel for the Respondent(S):

1. GP FOR REGISTRATION AND STAMPS

The Court made the following:

THE HON'BLE SRI JUSTICE BATTU DEVANAND

&

THE HONOURABLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION No.25533 of 2026

ORDER: *(Per Hon'ble Sri Justice Battu Devanand)*

This Writ Petition is filed seeking to issue a Writ of Mandamus declaring the action of the 3rd respondent in not registering the sale certificate, dated 31.07.2026 executed by the petitioner-Financial Institution in favour of the 5th respondent pursuant to the E-auction conducted on 18.06.2026 under the provisions of S.A.R.F.A.E.S.I Act in respect of the scheduled property as illegal and arbitrary.

2 Heard the learned counsel for the petitioner and the learned Government Pleader for Stamps and Registration appearing for Respondent Nos.2 and 3.

3. The grievance of the petitioner is that the 3rd respondent who is the registering authority refused to register the sale certificate submitted by the petitioner- Financial Institution in favour of the 5th respondent.

4. Learned Government Pleader would submit that as per the attachment order, dated 17.12.2025 passed by the learned Principal Civil Judge (Junior Division), Machilipatnam in I.A.No.1020 of 2025 in O.S.No.566 of 2025 respondent authorities had included the subject property in the prohibited property list. It is further submitted that 3rd respondent has not been received any document related to the petitioner-Financial Institution seeking

registration. Whenever the petitioner-Financial Institution submits sale certificate with all enclosures and requisite Stamp Duty, Registration Fee and user chargers, they will take steps to register the sale certificate.

5. Having considered the submissions of the learned counsel for the petitioner and the learned Government Pleader, it appears that the only point of difference between them is that the learned counsel for the petitioner-Financial Institution is contending that Respondent No.3 refused to register the sale certificate. On the other hand, learned Government Pleader appearing for Respondent Nos.2 and 3 contends that the petitioner-Financial Institution never submitted sale certificate or any document before for Respondent No.3 for registration. However, considering the fact that against the subject property there is an attachment order passed by the learned Principal Civil Judge (Junior Division), Machilipatnam in I.A.No.1020 of 2025 in O.S.No.566 of 2025 on 17.12.2025, it appears that Respondent No.3 is not permitting the petitioner to submit the sale certificate for registration.

6. The issue as to whether Respondent No.3 can refuse to register the sale certificate on the ground that the attachment order was passed by the concerned Civil Court has already been considered by this Court on various occasions. In the case of ***M/s Manasa Hotels Private Limited Vs Union of India and others***[1], it was held that the attachment affected subsequent to the mortgage created in favour of the bank do not affect the rights of the secured creditor over the subject property and such attachments have no impact on

[1] W.P.No.12458 of 2024

the sale conducted under the Act. The said view has been followed by this Court in the case of ***City Union Bank Ltd Vs. Sub-Registrar, Peddapalli, Karimnagar District and others***[2]. Learned counsel for the petitioner also placed reliance on the Judgment of the Co-ordinate Bench of this Court in W.P. Nos.1779 and 1856 of 2025, wherein similar view has been taken.

7. Admittedly, in the present case, mortgage in favour of the petitioner-Financial Institution was created on 09.12.2024 and the attachment order was passed by the learned Principal Civil Judge (Junior Division), Machilipatnam in I.A.No.1020 of 2025 in O.S.No.566 of 2025 on 17.12.2025. As such, it is clear that the attachment order was passed subsequent to mortgage created in favour of the petitioner-Financial Institution. Thus, in our considered view the said attachment order do not affect the rights of the secured creditor over the subject property.

8. Accordingly, this Writ Petition is allowed with the following direction:-

> *Respondent No.3 shall register the sale certificate in accordance with the provisions of the Registration Act, 1908 upon payment of requisite registration fee and other charges, if any, permitted under law notwithstanding the existence of the attachment order, dated 17.12.2025, within a period of one week from the date of presentation of document.*

[2] 2018 SCC online Hyd 370

9. There shall be no order as to costs.

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

JUSTICE BATTU DEVANAND

JUSTICE TUHIN KUMAR GEDELA

Date: 15.10.2026
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THE HON'BLE SRI JUSTICE BATTU DEVANAND

&

THE HON'BLE SRI JUSTICE TUHIN KUMAR GEDELA

WRIT PETITION No.25533 of 2026

Date: 15.10.2026

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