



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

[3332]

SATURDAY, THE 19th DAY OF SEPTEMBER 2026

PRESENT

THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI

CIVIL REVISION PETITION NO: 2673/2026

Between:

Mogadalasateesh Kumar

...PETITIONER

AND

Margadarsi Chit Fund Pvt Ltd and Others

...RESPONDENT(S)

Counsel for the Petitioner:

1. G SAI NARAYANA RAO

Counsel for the Respondent(S):

1.

The Court made the following:

INTERIM ORDER:

C.R.P.No.2673 of 2026

Issue notice to the respondents.

Learned counsel for the petitioner is permitted to take out personal notice on the respondents by Speed Post with acknowledgment due and file proof of service in the Registry.

Post on 26.10.2026.

RC, J

I.A.No.1 of 2026

Sri U.Nagendra Babu, learned counsel for the petitioner contended that respondent No.1 in order to release the chit amount from the petitioners father approached the Deputy Registrar under the Chit Funds Act, 1982, wherein and whereby a certificate has been issued by virtue of Section 71 of Act in order to realize the said amount as contemplated under the said Act, an Execution Petition (EP) came to be filed. In the meantime, the petitioner's father died. In the Execution Petition which is filed under Order XXI Rules 64, 65 & 66, the Court below issued proclamation to sell the attached property (two scheduled properties). Though the law is very clear that the Court has to first decide whether it is necessary to bring the entire attached property to sale or such portion thereof as may deem necessary to satisfy the decree. If the property is large and the decree to be satisfied is small, the Court must bring only such portion of the property, the proceeds of which would be sufficient to satisfy the claim of the decree holder. He further submitted that the same is not just discretion of the Court but an obligation imposed on the Court. Without following in that manner, both scheduled properties are now proposed for auction on 21.09.2026. In fact, the amount which is liable for recovery is much lesser than the properties which are going to be auctioned. Care must be taken to put only such portion of the property to sale the consideration of which is sufficient to meet the claim in the execution petition. The sale held without examining this aspect and not in conformity with this requirement would be illegal and without jurisdiction. He further submitted that if the said proclamation is allowed and properties are sold, the petitioner's rights will be affected, as such, prayed to pass appropriate orders.

In support of his contention, learned counsel for the petitioner relied on the judgment of the Hon'ble Apex Court in ***Ambati Narasayya v.***

M.Subba Rao & Anr¹. He further brought to the notice of this Court that the said judgment was followed by the Supreme Court once again in ***Bhikchand s/o Dhondiram Mutha (deceased) v. Shamabai Dhanraj Gugale (deceased)***², accordingly, prayed to pass appropriate orders.

Perused the record.

A close perusal of the facts and the law on hand, there is some force in the contention of the petitioner. As contended by the learned counsel for the petitioner, in the meantime, if the sale is proceeded, it affects the rights of the petitioner.

Prima facie, a point has been made out for consideration, as such, this Court is inclined to pass the following interim order:

“There shall be stay of all further proceedings in E.P.No.15 of 2022 in Dispute No.134 of 2015 on the file of Principal Senior Civil Judge, Rajam, including two proclamation of sale of Immovable Properties, for a period of eight (08) weeks.”

JUSTICE RAVI CHEEMALAPATI

Date: 16th September, 2026

RKS

¹ 1989 Supp (2) Supreme Court Cases 693

² 2024 INSC 411