

LEGAL UPDATES

HC: TRANSFERS SECURITIZATION APPLICATION TO DRT JAIPUR CONSIDERING NON-FUNCTIONAL DELHI DRTS

Given that all the DRTs and DRAT in Delhi were inoperative, the Petitioner moved the securitization application in the Hon'ble Delhi High Court. The Court directed the transfer of proceedings from DRT-I Delhi to DRT, Jaipur, and noted that *"Transfer of proceedings...to a functional DRT would be consistent with this approach of the Supreme Court, rather than entertaining the proceedings under Article 226 of the Constitution."*

The Court further held that *"...the petitioner is entitled to agitate the grievances made by her in the Securitisation Application, which has not been taken up due to non-functioning DRTs. To enable her to pursue those remedies, it is necessary to grant some interim protection, and the parties' interest can be balanced by directing without prejudice deposit to be made."*

It was also observed that: -

(i) The Chief Metropolitan Magistrate appointed a Receiver to take possession of the subject property following an application by IIFL Home Finance Ltd. (the "Respondent").

(ii) Petitioner invoked SARFAESI Act proceedings under Section 17 to contest Respondent's action before DRT-I Delhi.

(iii) The lack of presiding officers at Delhi's DRTs prevented the application from being heard, which prompted the filing of the current writ

Considering that the Respondent claimed there hadn't been any payment made toward the debts in question for roughly 15 months and that any interim relief granted to the Petitioner may be conditional on the deposit of sizable sums, the Hon'ble Court, among other things, ordered the Petitioner to deposit Rs. 50 lakhs with the Respondent within the allotted time.

To summarise, the Hon'ble High Court stated that *"In the event, the petitioner does not deposit either of the instalment, as mentioned above, the Receiver will be entitled to take possession of the property...upon 48 hours' notice to the petitioner."* and directed DRT Jaipur to make all decisions as quickly as feasible in compliance with the law.