

HON'BLE SRI JUSTICE NOOTY RAMAMOHANA RAO

AND

HON'BLE DR. JUSTICE B. SIVA SANKARA RAO

WRIT PETITION No.7246 of 2016

ORDER: *(Per Hon'ble Sri Justice Nooty Ramamohana Rao)*

This writ petition is instituted seeking a declaration that the proceedings initiated by the 2nd respondent under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'the Act') against the petitioners as illegal.

Though the prayer in this writ petition is settled in extravagant terms, but however, the learned counsel for the petitioners would urge before us that if some little time is granted to the petitioners, the liability towards the 2nd respondent would be liquidated. There is no difficulty for us to hold that the LIC Housing Finance Limited answers the description of a 'financial institution' as defined under Section 2(1)(m) of the Act. The petitioners herein answer the description of 'borrower' as defined under Section 2(1)(f) of the Act and the property over which a security interest is created in respect of the 2nd respondent falls within the expression 'property' as defined under Section 2(1)(t) of the Act and it becomes 'secured asset' as defined under Section 2(1)(zc) of the Act. Under Section 13 of the Act, every secured creditor has been authorized to take measures for securitization of the debt. Therefore, we have no hesitation whatsoever to come to the conclusion that the prayer sought for in this writ petition cannot be granted.

Heard Sri Bathula Raj Kiran, learned counsel for the 2nd respondent and with his consent the writ petition is taken up for disposal.

However, learned counsel for the petitioners would urge that

the total amount due as on 01.03.2016 is only Rs.6.88 lakhs. Therefore, we consider that ends of justice would be served better, if we permit the petitioners to deposit a sum of not less than Rs.2,00,000/- on or before 30.03.2016 with the 2nd respondent and the balance overdue amount in one or more number of installments, but however, the entire overdue amount shall be cleared before the end of June, 2016 and that they shall also continue to pay Equated Monthly Installments thereafter. In case the petitioners commit any default, the 2nd respondent is at liberty to proceed strictly in accordance with law without any further reference to this Court.

With this observation, the writ petition stands disposed of.

Consequently, miscellaneous petitions, if any shall stand closed. No costs.

JUSTICE NOOTY RAMAMOHANA RAO

JUSTICE Dr. B.SIVA SANKARA RAO

04.03.2016
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