



2026:AHC:6598-DB

AFR

Reserved on 18.12.2025

Delivered on 12.01.2026

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 42608 of 2025

M/S Hinduja Housing Finance Ltd.

.....Petitioner(s)

Versus

State Of U.P. And 3 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Ashutosh Sharma, Nitesh Kumar Jauhari
Counsel for Respondent(s)	:	C.S.C.

Along with :

- Writ - C No. 42610 of 2025:**
M/S Hinduja Housing Finance Ltd
Versus
State of U.P. and 4 others
 - Writ - C No. 42622 of 2025:**
M/S Hinduja Housing Finance Ltd
Versus
State of U.P. and 3 others
 - Writ - C No. 42639 of 2025:**
M/S Hinduja Housing Finance Ltd.
Versus
State of U.P. and 4 others
 - Writ - C No. 42645 of 2025:**
M/S Hinduja Housing Finance Ltd.
Versus
State of U.P. and 3 others
 - Writ - C No. 42660 of 2025:**
M/S Hinduja Housing Finance Ltd.
Versus
State of UP and 3 others
-

Court No. - 1

**HON'BLE AJIT KUMAR, J.
HON'BLE SWARUPAMA CHATURVEDI, J.**

(Per: Swarupama Chaturvedi,J.)

1. Heard Sri Ashutosh Sharma, Sri Nitesh Kumar Jauhari and Sri Ajeet Singh learned counsel for petitioners and Sri Pradeepta Kumar Shahi, learned Additional Chief Standing Counsel and Sri Mukul Tripathi, learned Standing Counsel for the State respondents.

2. By means of the present batch of petitions filed under Article 226 of the Constitution of India, petitioners have prayed for issuance of an appropriate writ, order or direction in the nature of mandamus directing the concerned Magistrates to decide the applications filed by them under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter “SARFAESI Act, 2002”) expeditiously, within a time-frame for ensuring the physical possession of the property to petitioners.

3. The petitioner is same in all petitions, which is a registered housing finance company and a notified financial institution under the SARFAESI Act, 2002. The petitions challenge administrative delays in the exercise of statutory duties by the concerned Magistrates, which, according to the petitioner, amount to a violation of the mandatory timelines prescribed under the SARFAESI Act 2002 and also directions issued by this Court in various writ petitions in order to ensure the timeline.

4. All the writ petitions in this batch raise a common question of law under the SARFAESI Act, 2002, they are, therefore, being heard together and decided by this common judgment. For the sake of convenience, the

factual background of each petition is set out separately, and references to pleadings and documents are confined to the respective petitions unless otherwise indicated.

5. In each case, the borrowers availed loans from the petitioner, creating an equitable mortgage over the respective properties. Following defaults in repayment, the loan accounts were declared Non-Performing Assets. In accordance with the statutory procedure, demand notices under Section 13(2) of the SARFAESI Act 2002 were issued. As debts remained unpaid, the petitioner took symbolic possession of the assets under Section 13(4). Subsequently, the petitioner filed applications under Section 14 of the SARFAESI Act before the competent court to obtain actual physical possession of the secured assets. The grievance in all the petitions is that the applications have not been decided within the statutory period, and the authorities concerned have allegedly been mechanically fixing dates without passing substantive orders.

Writ C No. 42608 of 2025

6. Factual background in Writ C No. 42608 of 2025 is that the borrower availed a housing loan of Rs.10,01,000/- on 13.02.2024, creating an equitable mortgage over scheduled property. Following a default in repayment, the loan account was declared a Non-Performing Asset on 06.05.2024. Learned counsel for the petitioner submits that in accordance with the statutory procedure, a demand notice under Section 13(2) of the SARFAESI Act, 2002 was issued by the petitioner for the amount of Rs. 10,27,581/- due as on 20.02.2025. He further submits that neither any objection was filed nor the debt was paid, and therefore the petitioner initiated action under Section 13(4). Thereafter, to obtain actual physical possession, the Petitioner filed Case No. 3239 of 2025 before the Chief

Judicial Magistrate, Ghaziabad but the application has not been decided within the statutory period and the same is still pending as the Respondent No.2 is merely fixing dates mechanically in the matter.

Writ C No. 42610 of 2025

7. The petitioner provided a housing loan of Rs. 9,00,000/- to the borrowers in Writ C No. 42610 of 2025. To secure the loan, the borrowers created an equitable mortgage by depositing the original title deeds of the property with the petitioner. However, the borrowers failed to adhere to the repayment schedule, prompting the petitioner to declare the loan account as a Non-Performing Asset on 06.01.2025, in accordance with the Reserve Bank of India guidelines. Thereafter, proceedings were initiated under the SARFAESI Act, 2002, and a demand notice was issued on 25.02.2025, requiring the borrowers to discharge their dues amount. The borrowers neither made the payment nor filed any objections. Consequently, the petitioner took symbolic possession of the secured property and filed Case No. 3238 of 2025 under Section 14 of the SARFAESI Act, 2002, before the Chief Judicial Magistrate, Ghaziabad. Despite the statutory mandate to decide Section 14 applications within thirty to sixty days, the matter remained pending, prompting the petitioner to approach this court. Learned counsel for the petitioner submits that the delay impairs their statutory right to recover public money and that, in the absence of any challenge to the proceedings in another forum, there is no legal impediment preventing the Magistrate from passing order in the case.

Writ C No. 42622 of 2025

8. The petitioner provided a housing loan of Rs. 5,05,000/- to Mr.

Mahmood Siddiqui and Mrs. Ruksana. To secure the loan, the borrowers created an equitable mortgage by depositing the original title deeds of their property situated at Ghaziabad. Over time, the borrowers defaulted on their repayment obligations, and consequently, on 05.03.2025, the petitioner declared the loan account a Non-Performing Asset in accordance with the Reserve Bank of India guidelines. Following the default, the petitioner, initiated recovery proceedings under the SARFAESI Act, 2002. A demand notice under Section 13(2) was served upon the borrowers on 12.03.2025, but they neither cleared the dues nor filed any legal objections under Section 13(3A) of the Act. The petitioner subsequently took symbolic possession of the mortgaged property. As the respondents failed to discharge their full liability within the prescribed period and did not challenge the recovery proceedings before the Debt Recovery Tribunal, the petitioner filed case no. 3236 of 2025 under Section 14 of the SARFAESI Act, 2002 before the Chief Judicial Magistrate, Ghaziabad, for appropriate order on physical possession of the secured asset, but the case remains pending.

WRIT C No 42639 of 2025

9. The fact in Writ C No. 42639 of 2025 is that the respondents 4 and 5 availed a housing loan of Rs. 17,60,000/- from the petitioner financial institution on 20.11.2023, securing the loan by creating an equitable mortgage through the deposit of the original title deeds of the property with the petitioner. Learned counsel for the petitioner submits that the respondents 4 and 5 are willful defaulters, having deliberately failed to maintain their loan accounts in accordance with the repayment schedule. As a result of their default, the petitioner was compelled to declare the loan account as a Non-Performing Asset on 06.05.2024. Thereafter, the

petitioner invoked the provisions of the SARFAESI Act, 2002 and issued a demand notice dated 27.06.2024 under Section 13(2) read with Rules 3 and 4 of the Security Interest (Enforcement) Rules to the debtors/respondent nos. 4 and 5. Non-compliance with the notice compelled the petitioner to take symbolic possession of the mortgaged property, issuing a possession notice dated 19.11.2024 under Section 13(4) of the Act, which was duly pasted on the mortgaged property and also published in two leading newspapers.

10. As the respondents failed to discharge their liability in full within the prescribed period, the petitioner approached the District Magistrate under Section 14 of the SARFAESI Act, 2002, in Case No. 513 of 2025, seeking appropriate orders for physical possession of the secured asset. The District Magistrate transferred the case to the respondent no.2, who passed an order under Section 14 of the SARFAESI Act on 28.02.2025. By the said order, the competent authority directed the Magistrate to assist the Authorized Officer of the petitioner in taking actual physical possession of the mortgaged property. The petitioner deposited one day's salary of the required police force on 29.07.2025, following which physical possession of the secured property was taken on 06.10.2025 in the presence of the District Administration, with the house being sealed peacefully.

11. The core issue in this writ petition is that, on the same day, the petitioner came to know that the respondents had broken the seal and trespassed into the property. The petitioner immediately approached the police and lodged a First Information Report dated 06.10.2025, and also informed the Magistrate, but no action has been taken to date. The Authorized Officer of the petitioner repeatedly requested compliance with

the Section 14 order dated 28.02.2025. Meanwhile, respondents no.4 and 5 are illegally occupying the property and respondent no. 1, 2 and 3 have not discharged their liability to get the order dated 28.02.2025 effectively executed. On facts regarding grievance, this petition is different although the broader issue is same as the effective physical possession is still not with the petitioner.

Writ C No. 42645 of 2025

12. The background fact in Writ C No. 42645 of 2025 is that a loan of Rs. 10,01,000/- was granted to Respondent Nos.3 and 4 on 25.02.2023 after creating an equitable mortgage by depositing the original title deeds of the property with the petitioner on 13.02.2024. Due to payment default, the loan account was declared as a Non-Performing Asset on 05.03.2025. Following the default, the petitioner, initiated recovery proceedings under the SARFAESI Act, 2002, issuing a formal demand notice under Section 13(2) on 12.03.2025. Despite service of the notice, the borrowers neither cleared the dues nor filed any legal objections. Thereafter, the petitioner took symbolic possession of the mortgaged property and approached the Chief Judicial Magistrate, Ghaziabad (Respondent No. 2), under Section 14 of the Act in case no.3240 of 2025, which remains pending.

Writ C No. 42660 of 2025

13. Dispute in Writ C No. 42660 of 2025 is regarding an unpaid housing loan of Rs. 19,00,000/- provided to Ms. Anju and Mr. Vijay after executing an equitable mortgage by depositing the original title deeds of the property with the petitioner. However, borrowers defaulted in repayment, prompting the petitioner to classify the loan account as a Non-Performing Asset and subsequently, taking symbolic possession of the

property as per law and thereafter in order to take actual physical possession and recover the outstanding dues, the petitioner filed case no. 3237 of 2025 under Section 14 of the SARFAESI Act, 2002 before the Chief Judicial Magistrate, Ghaziabad, seeking assistance in taking physical control of the mortgaged property.

14. Learned counsel for the petitioner submits that the statute imposes mandatory obligation upon the District Magistrate or the Chief Judicial Magistrate, to decide such applications within the time-frame prescribed therein, and that the role of the Magistrate is purely administrative. Learned counsel further submits that repeated adjournments, often at the instance of the borrowers, are impermissible in proceedings under Section 14 and that such delay defeats the very object of the SARFAESI Act by frustrating the secured creditor's statutory right to enforce security interest. It is, therefore, urged that appropriate directions be issued for expeditious disposal of the pending applications.

15. Per contra, learned counsel appearing for the respondents submits that the delay in disposal of the applications under Section 14 cannot be attributed solely to the magistrates and authorities concerned and is stated to be occasioned by administrative exigencies and the pendency of other matters. It is contended that adequate opportunity is required to be afforded before passing orders affecting possession of immovable property and that no mala fides can be attributed to the authorities.

16. Having heard counsel appearing for respective parties and after perusal of the records and examination of factual background in all the petitions in the present batch, it is apparent that while the amounts, dates of disbursement, and particulars of the borrowers differ, all the writ

petitions raise a common question of law arising under Section 14 of the SARFAESI Act, 2002. All petitions except Writ C No. 42639 of 2025, the petitioner challenge the delay in deciding applications for physical possession filed by the petitioner financial institutions before the competent Magistrates, despite the statutory mandate prescribing a timeline for disposal. In Writ C No. 42639 of 2025, the application has got decided although the financial institution is still not in the effective physical possession due to trespass on the same day when the possession was handed over to the petitioner. The Court, therefore, proceeds to examine the statutory framework, and relevant judicial principles applicable to the disposal of Section 14 applications.

17. The SARFAESI Act, 2002 was brought to regulate the securitization and reconstruction of financial assets and enforcement of security interest and to provide for a central data base of security interest created on property rights, and for matters connected therewith an incidental thereof.

The object and reasons to bring the SARFASI Act 2022 are as under:-

“The financial sector has been one of the key drivers in India's efforts to achieve success in rapidly developing its economy. While the banking industry in India is progressively complying with international prudential norms and accounting practices there are certain areas in which the banking and financial sector do not have a level playing field as compared to other participants in the financial markets in the world. There is no legal provision for facilitating securitisation of financial assets of banks and financial institutions. Further, unlike international banks, the banks and financial institutions in India do not have power to take possession of securities and sell them. Our existing legal framework relating to commercial transactions has not kept pace with the changing commercial practices and financial sector reforms. This has resulted in slow place of recovery of defaulting loans and mounting levels of non-performing assets of banks and financial institutions. Narasimham Committee I and II and Andhyarujina Committee constituted by the Central Government for the purpose of examining banking sector reforms have considered the need for changes in the legal system in respect of these areas. These Committees, inter alia,

have suggested enactment of a new legislation for securitisation and empowering banks and financial institutions to take possession of the securities and to sell them without the intervention of the court. Acting on these suggestions, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance, 2002 was promulgated on the 21st June, 2002 to regulate securitisation and reconstruction of financial assets and enforcement of security interest and for matters connected therewith or incidental thereto. ...”

18. The SARFAESI Act 2002 is a special legislation enacted to enable banks and financial institutions to enforce security interests in a swift and effective manner, without having inordinate delay. The statute reflects a conscious legislative departure from traditional recovery mechanisms, premised on speed, certainty and minimal court intervention. The legislative scheme strikes a calibrated balance between the rights of secured creditors and the safeguards available to borrowers. While enforcement measures under Section 13 are enabled without prior judicial intervention, borrowers are conferred a substantive post-measure remedy under Section 17 before the Debts Recovery Tribunal.

19. The Supreme Court while interpreting Section 14 of the SARFAESI Act 2002 in **NKGSB Cooperative Bank Limited Vs Subir Chakravarty and others (2022) 10 SCC 286**, discussed the object of the Act and emphasized that the intention of law makers is to empower financial institution. Relevant paragraph of the judgement is reproduced below for ready reference:

“29. The underlying purpose of the 2002 Act is to empower the financial institutions in India to have similar powers as enjoyed by their counterparts, namely, international banks in other countries. One such feature is to empower the financial institutions to take possession of securities and sell them. The same has been translated into provisions falling under Chapter III of the 2002 Act. Section 13 deals with

enforcement of security interest. Sub-Section (4) thereof envisages that in the event a default is committed by the borrower in discharging his liability in full within the period specified in sub-Section (2), the secured creditor may take recourse to one or more of the measures provided in sub-Section (4). One of the measures is to take possession of the secured assets of the borrower including the right to transfer by way of lease, assignment or sale for realising the secured asset. That, they could do through their “authorised officer” as defined in Rule 2(a)47 of the 2002 Rules.”

20. To achieve the object and reasons of bringing the SARFAESI Act, 2002, Section 14 was made to provide an effective tool to protect the interest of secured creditor. The secured creditor may for the purpose of taking possession or control of any secured asset, request in writing, the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction any such secured asset or other documents relating thereto may be security are found to be taken possession thereof.

21. Section 14 of the SARFAESI Act, 2002 provides a complete mechanism under which the Chief Metropolitan Magistrate or the District Magistrate, as the case may be, shall perform his duties. Providing the clear timeline to pass suitable orders for the purpose of taking possession of the secured asset, demonstrate the intention of the law makers to ensure the physical possession in favour of financial institution, who are secured creditors.

22. Since the controversy in the present batch of petitions turns upon the interpretation and implementation of Section 14 of the SARFAESI Act, 2002, therefore the said provision is extracted hereinbelow:

“14. Chief Metropolitan Magistrate or District Magistrate to assist secured creditor in taking possession of secured asset.—(1) Where the

possession of any secured assets is required to be taken by the secured creditor or if any of the secured assets is required to be sold or transferred by the secured creditor under the provisions of this Act, the secured creditor may, for the purpose of taking possession or control of any such secured assets, request, in writing, the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction any such secured asset or other documents relating thereto may be situated or found, to take possession thereof, and the Chief Metropolitan Magistrate or, as the case may be, the District Magistrate shall, on such request being made to him—

(a) take possession of such asset and documents relating thereto; and

(b) forward such asset and documents to the secured creditor:

Provided that any application by the secured creditor shall be accompanied by an affidavit duly affirmed by the authorised officer of the secured creditor, declaring that—

(i) the aggregate amount of financial assistance granted and the total claim of the Bank as on the date of filing the application;

(ii) the borrower has created security interest over various properties and that the Bank or Financial Institution is holding a valid and subsisting security interest over such properties and the claim of the Bank or Financial Institution is within the limitation period;

(iii) the borrower has created security interest over various properties giving the details of properties referred to in sub-clause (ii) above;

(iv) the borrower has committed default in repayment of the financial assistance granted aggregating the specified amount;

(v) consequent upon such default in repayment of the financial assistance the account of the borrower has been classified as a non-performing asset;

(vi) affirming that the period of sixty days notice as required by the provisions of sub-section (2) of section 13, demanding payment of the defaulted financial assistance has been served on the borrower;

(vii) the objection or representation in reply to the notice received from the borrower has been considered by the secured creditor and reasons for non-acceptance of such objection or representation had been communicated to the borrower;

(viii) the borrower has not made any repayment of the financial assistance in spite of the above notice and the Authorised Officer is, therefore, entitled to take possession of the secured assets under the provisions of sub-section (4) of section 13 read with section 14 of the principal Act;

(ix) that the provisions of this Act and the rules made thereunder had been complied with:

Provided further that on receipt of the affidavit from the Authorised Officer, the District Magistrate or the Chief Metropolitan Magistrate, as the case may be, shall after satisfying the contents of the affidavit pass suitable orders for the purpose of taking possession of the secured assets within a period of thirty days from the date of application:

Provided also that if no order is passed by the Chief Metropolitan Magistrate or District Magistrate within the said period of thirty days for reasons beyond his control, he may, after recording reasons in writing for the same, pass the order within such further period but not exceeding in aggregate sixty days.

Provided also that the requirement of filing affidavit stated in the first proviso shall not apply to proceeding pending before any District Magistrate or the Chief Metropolitan Magistrate, as the case may be, on the date of commencement of this Act.

(1A) The District Magistrate or the Chief Metropolitan Magistrate may authorise any officer subordinate to him,—

(i) to take possession of such assets and documents relating thereto; and

(ii) to forward such assets and documents to the secured creditor.

(2) For the purpose of securing compliance with the provisions of sub-section (1), the Chief Metropolitan Magistrate or the District Magistrate may take or cause to be taken such steps and use, or cause to be used, such force, as may, in his opinion, be necessary.

(3) No act of the Chief Metropolitan Magistrate or the District Magistrate any officer authorised by the Chief Metropolitan Magistrate or District Magistrate done in pursuance of this section shall be called in question in any court or before any authority.”

23. Report of the Joint Committee on the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment)

Bill, 2016 has analysed the situation under which the amendment was to be brought in SARFAESI Act 2002. The report highlights the purpose of bringing the amendment in following words:

“3. The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Bill, 2016 is an important legislation which seeks to amend the Recovery of Debts due to Banks and Financial Institutions Act, 1993 and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and make consequential amendments in the Indian Stamp Act, 1899 and the Depositories Act, 1996. The object of the amendments proposed in the Bill is to improve the ease of doing business and facilitate investment leading to higher economic growth and development.”

(Page No. 2)

24. The above-mentioned report specifies the reason for the addition of the proviso to provide the extension upto sixty days in Section 14 of the SARFAESI Act 2002, which is added only to meet certain exigencies and delay beyond even that maximum extended day in routine cannot be seen in consonance with the intention of law makers. Relevant paragraph of the Report is reproduced below for the ready reference:

“25. Recording of reasons by CMM or DM – Clause 12 (Insertion of proviso after second proviso to section 14(1) of the principal Act).

The Committee decide to insert the following proviso after second proviso to section 14(1) of principal Act with a view to provide further extension of time to meet certain exigencies to CMM/DM to pass an order under section 14 of the principal Act:

“Provided further that where the Chief Metropolitan Magistrate or District Magistrate is of the opinion that an order under this sub-section can not be passed within thirty days, he may after recording reasons for the same pass the order within such further period not exceeding in aggregate sixty days.”

(Page No. 13)

25. Report of the Joint Parliamentary Committee can be used to understand the intention of the law makers, and it has been consistently accepted by the Supreme Court in a catena of judgements. Supreme Court in **Kalpana Mehta v. Union of India, (2018) 7 SCC 1** has discussed the issue of reliance on different parliamentary proceedings as external aids and observed as follows:

“123. A Constitution Bench in R.S. Nayak v. A.R. Antulay [R.S. Nayak v. A.R. Antulay, (1984) 2 SCC 183 : 1984 SCC (Cri) 172] , after referring to various decisions of this Court and development in the law, opined that the exclusionary rule is flickering in its dying embers in its native land of birth and has been given a decent burial by this Court. The Constitution Bench further observed that the basic purpose of all canons of the Constitution is to ascertain with reasonable certainty the intention of Parliament and for the said purpose, external aids such as reports of Special Committee preceding the enactment, the existing state of law, the environment necessitating enactment of a legislation and the object sought to be achieved, etc. which Parliament held the luxury of availing should not be denied to the court whose primary function is to give effect to the real intention of the legislature in enacting a statute. The Court was of the view that such a denial would deprive the Court of a substantial and illuminating aid to construction and, therefore, the Court decided to depart from the earlier decisions and held that reports of committees which preceded the enactment of a law, reports of Joint Parliamentary Committees and a report of a commission set up for collecting information can be referred to as external aids of construction.”

(Emphasis added)

26. In the light of above, we are of the considered view that Section 14 empowers the District Magistrate or the Chief Metropolitan Magistrate to render administrative assistance for taking possession of the secured asset upon satisfaction of the statutory conditions prescribed under the provisos to sub-section (1). The nature of the function discharged under Section 14 is very specific. From the reading of the provision it is clear that the function of the Magistrate is confined to verification of factual compliance with statutory requirements. The legislature has consciously ensured that collateral challenges do not impede the enforcement process,

reserving such issues for adjudication before the Debts Recovery Tribunal under Section 17 SARFAESI Act 2002.

27. Recognizing the need for expeditious action, the legislature has prescribed timelines for disposal of applications under Section 14. The incorporation of time limits is a clear reflection of legislative intent that such applications are to be decided promptly and not permitted to remain pending for indefinite periods because the extension is for meeting certain exigencies only. Supreme Court has interpreted the timeline provided in Section 14 of the SARFAESI Act 2002 and it has held that the time frame is of directory nature in **C. Bright Vs District Collector and others (2021) 2 SCC 392** while dealing with the maximum limit provided under Section 14 of SARFAESI Act 2002.

28. In **C. Bright (supra)** the Court was dealing with the situation where the power of the Magistrate after the maximum sixty days was under consideration and while observing the timeline being directory in nature, the Supreme Court has held that:

*“21. The Act was enacted to provide a machinery for empowering banks and financial institutions, so that they may have the power to take possession of secured assets and to sell them. The DRT Act was first enacted to streamline the recovery of public dues but the proceedings under the said Act have not given desirous results. Therefore, the Act in question was enacted. This Court in *Mardia Chemicals®*, *Transcore®* and *Hindon Forge (P) Ltd.* has held that the purpose of the Act pertains to the speedy recovery of dues, by banks and financial institutions. The true intention of the legislature is a determining factor herein. Keeping the objective of the Act in mind, the time-limit to take action by the District Magistrate has been fixed to impress upon the authority to take possession of the secured assets. However, inability to take possession within time-limit does not render the District Magistrate functus officio.*

The secured creditor has no control over the District Magistrate who is exercising jurisdiction under Section 14 of the Act for public good to facilitate recovery of public dues. Therefore, Section 14 of the Act is not to be interpreted literally without considering the object and purpose of the Act. If any other interpretation is placed upon the language of Section 14, it would be contrary to the purpose of the Act. The time-limit is to instil a confidence in creditors that the District Magistrate will make an attempt to deliver possession as well as to impose a duty on the District Magistrate to make an earnest effort to and for reasons to be recorded within 60 days. In this light, the remedy under Section 14 of the Act is not rendered redundant if the District Magistrate is unable to handover the possession. The District Magistrate will still be enjoined upon, the duty to facilitate delivery of possession at the earliest.”

29. Supreme Court in State of Punjab v. Bhatinda District Coop. Milk Producers Union Ltd., (2007) 11 SCC 363 has held that:

“18. It is trite that if no period of limitation has been prescribed, statutory authority must exercise its jurisdiction within a reasonable period. What, however, shall be the reasonable period would depend upon the nature of the statute, rights and liabilities thereunder and other relevant factors.”

Applying the aforesaid rationale, the expression “certain contingencies” must be construed strictly and purposively, so as to exclude situations that give rise to unwarranted adjournments and thereby cause avoidable and impermissible delay in the passing of orders, which would otherwise defeat the object of the provision.

30. Supreme Court in Salem Advocate Bar Assn. (2) Vs Union of India, (2005) 6 SCC 344, has taken up the issue of adjournments and its effect and there it is observed by the Supreme Court that:

“31. ... We may, however, add that grant of any adjournment, let alone the first, second or third adjournment, is not a right of a party. The grant of

adjournment by a court has to be on a party showing special and extraordinary circumstances. It cannot be in routine. While considering the prayer for grant of adjournment, it is necessary to keep in mind the legislative intent to restrict the grant of adjournments.”

31. Where a statute not only creates a duty but also prescribes the timeframe for its discharge, the obligation assumes higher degree of responsibility and give it a mandatory colour. Delay in such circumstances amounts to failure to exercise jurisdiction vested by law. Prolonged pendency of applications under Section 14 undermines the very purpose of the SARFAESI Act. Secured assets are time-sensitive in nature and are susceptible to deterioration and erosion of value. Delay in enforcement directly impacts recoverability and adversely affects the financial system.

32. Sub-section (3) of Section 14 reinforces the legislative intent by granting statutory protection to the acts performed by the Chief Metropolitan Magistrate or the District Magistrate, or any officer authorised by them, in pursuance of the powers exercised under the said provision. The bar contained therein makes it clear that once assistance is rendered under Section 14 in accordance with law, such acts are not amenable to challenge before any court or authority. The object of this provision is to ensure that the process of taking possession of secured assets is not obstructed by collateral proceedings and that the recovery mechanism under the SARFAESI Act operates in a swift, effective, and uninterrupted manner. This statutory immunity also underscores that the Magistrate’s role under Section 14 is not adjudicatory but executive and facilitative, intended solely to aid the secured creditor in enforcement of security interest.

33. This Court cannot overlook the broader public interest involved. Inefficiencies in statutory recovery mechanisms ultimately burden the public exchequer and erode confidence in institutional lending. Sections 26B to 26E of SARFAESI Act 2002, aim to bring certainty, transparency and priority in the enforcement of security interests. Once the secured creditor has complied with the provisions of Section 26D, there is no reason for denying the creditor the benefit of statutory provisions enacted to protect the secured creditor.

34. Section 26D mandates registration of the security interest with the Central Registry as a condition precedent for enforcement under the Act. The requirement of registration ensures public notice and obviates uncertainty regarding competing claims. Upon such registration, Section 26E accords priority to the secured creditor over all other debts, subject to the provisions of the Act. The conferment of statutory priority reflects a deliberate legislative choice to strengthen secured lending and ensure effective recovery. The priority conferred under Section 26E is intended to be real and effective. Such priority would stand diluted if the enforcement process is stalled at the stage of administrative assistance under Section 14 due to avoidable delays.

35. The legislature, being conscious of the delays that traditionally plague recovery proceedings, has consciously incorporated timelines under Section 14 of the Act. Sub-section (1) read with the provisos makes it abundantly clear that the application is required to be disposed of within the period prescribed therein, subject to a short extension for recorded reasons. Such timelines are not ornamental but are intended to infuse statutory discipline and ensure that recovery proceedings are not rendered illusory by administrative inertia.

36. Requirement of registration under Section 26D is not a mere procedural formality but a statutory condition precedent for enforcement. Therefore, once the secured creditor demonstrates compliance with Section 26D by placing on record the registration of the security interest, the Magistrate is expected to act with promptitude. Any avoidable delay in granting assistance frustrates not only Section 14 but also the combined operation of Sections 26D and 26E of the Act.

37. After giving due consideration to the statutory provisions and legal principles, we are of the view that the right to approach the Magistrate under Section 14 is a substantive statutory remedy and any inordinate delay in its consideration amounts to denial of such remedy, which cannot be sustained in law. Delay in deciding applications under Section 14 has the potential to expose the secured asset to competing claims, attachments or encumbrances, thereby undermining the statutory priority expressly recognized under Section 26E. Such a consequence would be wholly inconsistent with the legislative design.

38. This Court in *Writ C No. 7126 of 2021, Indian Bank (Erstwhile Allahabad Bank) vs. State of U.P. And 4 Others* disposed of the writ petition on 24.08.2021, with a direction that the instant proceedings be concluded necessarily within a period of 30 days unless there is any legal impediment in the nature of any stay order passed by the competent court.

This Court has further directed as under:-

“In view of large number of petitions coming up before this Court, we issue a direction to all the District Magistrates in the State of U.P. to keep a record/register of all the pending applications filed under Section 14 of the Act that may clearly disclose to the District Magistrate (on a fortnightly basis) details of all institutions of such applications made in that district and their disposal within that time.

The said register may be duly inspected by the District Magistrate from time to time and also countersigned by him. Based on the entries

recorded in such register, a quarterly report of all institution of applications filed under Section 14 of the Act together with the length of pendency of each application be sent to the Registrar General of this Court in the tabular form that may indicate the requirement of the Act is being fulfilled, in letter and spirit, who shall place the same before the appropriate Committee dealing with the functioning of the Debt Recovery Tribunals and Debt Recovery Appellate Tribunals.

The above direction has become necessary because at present, it appears that generally the proceedings for obtaining actual physical possession are being delayed much beyond the time limit set by the statute. It creates avoidable litigation and defeats the very object of the Act.

Let a copy of this order be communicated by the Registrar General to the Chief Secretary, Government of Uttar Pradesh for further intimation and compliance by all the District Magistrates in the State of U.P and the Debt Recovery Appellate Tribunal, Prayagraj. Also, let a copy of this order be placed before the appropriate Committee dealing with the functioning of the Debt Recovery Tribunal and Debt Recovery Appellate Tribunals.”

39. It appears that the direction of this Court in above case has not been complied with in its letter and spirit and therefore the cases of similar nature are still before this Court in routine basis. This creates the requirement of sending the copy of this order to all district magistrates to ensure the order is being passed on applications filed under Section 14 of the SARFAESI Act 2002 in timely manner.

40. The provisions of Sections 14, 26D and 26E must be read harmoniously. The statutory priority conferred upon secured creditors is not merely declaratory but operational, and it necessarily presupposes timely facilitation by the authorities entrusted with implementation.

41. In view of the aforesaid statutory scheme, the limited yet important function under Section 14 cannot continue with unexplained delay. We are of the view of the considered view that the petitioner-financial institution has made out a clear case for interference of this Court. Continued pendency of the application defeats the purpose of the Act and

warrants issuance of appropriate directions.

42. In the light of foregoing discussions, Writ C No. 42608 of 2025, Writ C No. 42610 of 2025, Writ C No. 42622 of 2025, Writ C No. 42645 of 2025 and Writ C No. 42660 of 2025 are **allowed**. Learned District Magistrate/ Chief Metropolitan Magistrate is directed to decide the petitioner's applications filed under Section 14 of the SARFAESI Act, being Case No. 3239 of 2025, Case No. 3238 of 2025, Case No. 3236 of 2025, Case No. 3240 of 2025, and Case No. 3237 of 2025, strictly in accordance with law as discussed above, as expeditiously as possible and preferably within a period of thirty days from the date of receipt of a copy of this order.

43. This in our considered view Writ C No 42639 of 2025 also deserves to be allowed and is **allowed** in the light of this common order and the petitioner may file an application afresh for necessary action to ensure compliance of order already passed under Section 14 of SARFAESI Act, 2002 and in the light of the judgment of Supreme Court in the case of **C. Bright v. District Collector and others (supra)**, and the documents evidencing registration of secured asset with the Central registry under Section 26D of the SARFAESI Act, 2002.

44. Accordingly, all writ petitions **allowed**. No order as to costs.

(Swarupama Chaturvedi,J.) (Ajit Kumar,J.)

January 12, 2026

#Vikram/-