IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

121

CWP-19590-2026
Date of Decision:- 02.07.2026

HDB FINANCIAL SERVICES LTD

....Petitioner(s)

Versus

CHIEF JUDICIAL MAGISTRATE, LUDHIANA AND OTHERS

...Respondent(s)

CORAM: HON'BLE MR. JUSTICE JASGURPREET SINGH PURI
HON'BLE MR. JUSTICE SANJIV BERRY

Present: Mr. Vipul Dharmani, Advocate for the petitioner.

Ms. Shruti, Assistant Advocate General, Punjab.

* * * *

SANJIV BERRY, J.

1. The petitioner-Financial Institution is before this Court invoking writ as well as supervisory jurisdiction under Article 226/227 Constitution of India, being aggrieved by in-action on the part of respondent No.1-Chief Judicial Magistrate, Ludhiana, to decide the application submitted by petitioner-Financial Institution u/s 14 of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (in short the SARFAESI Act), which is pending since 11.06.2025.

2. It is submitted that SA-339-2025 is pending before DRT-I, Chandigarh, however, no stay has been granted by the Tribunal.

3. It is stated in the application that the respondent-borrower(s) availed a loan facility of Rs.45 lakhs from the petitioner-Financial Institution, and upon default in repayment, the account was classified as Non-Performing Asset (NPA), whereafter demand notice dated 17.02.2025 under Section 13(2) of the SARFAESI Act was duly served upon the borrower(s), calling upon

SANDAL SHARMA
2026.07.06 17:04
I attest to the accuracy and
authenticity of this
order/judgment

them to discharge their liability within 60 days. The borrower(s) failed to comply with the said demand notice, and accordingly, the secured creditor proceeded to take recourse to measures u/s 13(4), of SARFAESI Act by issuing possession notice dated 24.05.2025 and whereafter the Bank filed application under Section 14 of the SARFAESI Act, on 11.06.2025.

4. The Apex Court in **R.D. Jain & Co. Versus Capital First Limited and Others, 2023 (1) SCC 675** while explaining the width and ambit of jurisdiction under section 14 SARFAESI Act held thus :-

> *"**23.** However, for taking physical possession of the secured assets in terms of Section 14(1) of the SARFAESI Act, the secured creditor is obliged to approach the CMM/DM by way of a written application requesting for taking possession of the secured assets and documents relating thereto and for being forwarded to it (secured creditor) for further action. The statutory obligation enjoined upon the CMM/DM is to immediately move into action after receipt of a written application under Section 14(1) of the SARFAESI Act from the secured creditor for that purpose. As soon as such an application is received, the CMM/DM is expected to pass an order after verification of compliance of all formalities by the secured creditor referred to in the proviso in Section 14(1) of the SARFAESI Act and after being satisfied in that regard, to take possession of the secured assets and documents relating thereto and to forward the same to the secured creditor at the earliest opportunity.*
>
> ***24.** As mandated by Section 14 of the SARFAESI Act, the CMM/DM has to act within the stipulated time-limit and pass a suitable order for the purpose of taking possession of the secured assets within a period of 30 days from the date of application which can be extended for such further period but not exceeding in the aggregate, sixty days. Thus, the powers exercised by the CMM/DM is a ministerial act. He cannot brook delay. Time is of the essence. This is the spirit of the special enactment.*
>
> ***25.** As observed and held by this Court in **NKGSB Coop. Bank [NKGSB Coop. Bank Ltd. v. Subir Chakravarty, (2022) 10 SCC 286 : (2023) 1 SCC (Cri) 157]** , the step taken by the CMM/DM while taking possession of the secured assets and documents relating thereto is a ministerial step. It could be taken by the CMM/DM himself/herself or through any officer subordinate to him/her, including the Advocate Commissioner who is considered as an officer of his/her court. Section 14 does not oblige the CMM/DM to go personally and take possession of the secured assets and documents relating thereto. Thus, we reiterate that the step to be taken by the CMM/DM under Section 14 of the SARFAESI Act, is a ministerial step. While disposing of the application under*

SANDAL SHARMA
2026.07.06 17:04
I attest to the accuracy and
authenticity of this
order/judgment

> *Section 14 of the SARFAESI Act, no element of quasi-judicial function or application of mind would require. The Magistrate has to adjudicate and decide the correctness of the information given in the application and nothing more. Therefore, Section 14 does not involve an adjudicatory process qua points raised by the borrower against the secured creditor taking possession of secured assets."*

5. Needless to say that the guidelines laid down by Coordinate Bench in ***Bank of Maharashtra Vs. District Magistrate, Hisar And Others*** **[**CWP-7018-2022 decided on 28.05.2024] be adhered to by the concerned authorities.

6. This Court, in view of Chief Judicial Magistrate, Ludhiana, having failed to discharge statutory obligation u/s 14(1) proviso within maximum stipulated time of 60 days, is compelled to issue writ of mandamus.

7. Accordingly, the petition stands disposed of with a direction to learned Chief Judicial Magistrate, Ludhiana to decide application (Annexure P-3) dated 11.06.2025 in accordance with law on 09.07.2026, the date already fixed, and if for any reason it cannot be decided on that date, to decide the same expeditiously within a period of 30 days thereafter.

8. We hasten to add that this order shall however be subject to any restraint/interim/final order which may have been passed by any judicial forum, in favour of the borrowers/guarantor/any aggrieved person, who is party to this *lis*.

(SANJIV BERRY)
JUDGE

(JASGURPREET SINGH PURI)
JUDGE

02.07.2026
S.Sharma

i) Whether speaking/reasoned? Yes/No
ii) Whether reportable? Yes/No

SANDAL SHARMA
2026.07.06 17:04
I attest to the accuracy and
authenticity of this
order/judgment