

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION
WRIT PETITION NO.2366 OF 2026

Assets Care & Reconstruction Enterprise Limited ... Petitioner

Vs.

State of Maharashtra and another ... Respondents

Mr. Charles D'souza a/w. Mr. Shreekrishna Khairnar i/b. Hingane & Mahamuni Partners for Petitioner.

Ms. Tanu N. Bhatia, AGP for Respondent No.1-State.

**CORAM : MANISH PITALE &
SHREERAM V. SHIRSAT, JJ.**

DATE : FEBRUARY 27, 2026

P.C. :

. Heard Mr. D'souza, learned counsel for the petitioner. He has tendered affidavit of service, which is taken on record.

2. Although this petition is coming up for consideration for the first time, in the light of the relief sought by the petitioner, we are inclined to dispose of the petition today itself.

3. Respondent No.1-State is represented by the learned AGP. Respondent No.2 is the Chief Judicial Magistrate, Nashik.

4. The petitioner is constrained to join the Magistrate as a party in the light of the manner in which the said Magistrate is proceeding to consider an application filed under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short 'Securitisation Act') by the petitioner, who is a secured creditor. The application under Section 14 of the Securitisation Act was filed on 21.12.2021. More than four years have gone by and shockingly, the application is still pending before the Magistrate. If the

pendency was only due to heavy workload, it was a different matter. But, the record shows that the application has been adjourned from time to time ‘for arguments’. We are informed that the Magistrate is entertaining intervention applications and allowing filing of documents by parties. This is completely in the teeth of the position of law clarified by the Supreme Court repeatedly that when an application under Section 14 of the Securitisation Act is considered by the Magistrate, the said Magistrate essentially performs a ministerial act. This is specifically laid down in judgements of the Supreme Court in the cases of *Balkrishna Rama Tarle dead thr. LRs and another Vs. Phoenix ARC Private Limited and others*, (2023) 1 SCC 662 and *NKGSB Co-operative Bank Limited Vs. Subir Chakravarty*, (2022) 10 SCC 286.

5. In the case of *L & T Finance Limited Vs. State of Maharashtra and another*, 2023 SCC OnLine Bom. 931, a Division Bench of this Court specifically took note of the said position of law clarified by the Supreme Court and issued specific guidelines as to the manner in which Magistrates shall consider and dispose of such applications under Section 14 of the Securitisation Act.

6. Paragraph 23 of the judgement and order of this Court in the case of **L & T Finance Limited Vs. State of Maharashtra and another** (*supra*) reads as follows:-

“23. Thus, we dispose of this writ petitions directing as follows:

- (a) The application filed by a secured creditor under Section 14 of the Sarfaesi Act with due compliance (the application) should be disposed of by the District Magistrate/Collector in the State of Maharashtra not later than 30 days of the application is filed.
- (b) Every order (order) passed by the District Collector under Section 14 of the Sarfaesi Act should be implemented and executed not later than four weeks of the passing of the order.

- (c) If the officers entrusted with implementation of the order are engaged in other pressing public duties, the option of appointing an advocate to implement the order be explored within the parameters of the law. The same option can also be considered by the Judicial Magistrate, if so permissible in law.
- (d) The District Magistrates/Collectors shall submit a report giving the details of the applications which have not been disposed of within thirty days or any order which has not been implemented within thirty days with reasons thereof to the Divisional Commissioner in the first week of each month.
- (e) Any party whose application is not disposed of within sixty days of its filing or the order has not been implemented within sixty days of passing it, may make representation to the Divisional Commissioner who shall within 15 days of receipt of the representation consider the representation and after satisfying that there is a no justifiable reason, will pass appropriate directions to ensure that the application is disposed of or the order is implemented within fifteen days of the direction.
- (f) Each District Magistrate/Collector shall maintain proper details and records of the filing of the applications, the disposal thereof, the implementation of the orders and submit monthly statistics in that regard to the Divisional Commissioner on or before the seventh day of the following month in the specified format of submissions.
- (g) The State Government will take steps to implement an e-system placing information on an online platform regarding the applications, such as the date of filing of the application, the date of passing the order on the application, and the date of implementation of the order, on an online platform. The same shall be done within a period of sixteen weeks from today.
- (h) The High Court Administration would consider issuing necessary directions to the Chief Metropolitan Magistrate to take a special drive for the disposal of pending applications under Section 14 of the Sarfaesi Act.
- (i) The High Court Administration would consider creating a separate category in the case information

system software for the applications under Section 14 of the Sarfaesi Act so that these cases can be identified for the special drive.”

7. The facts of the present case clearly demonstrate that the respondent No.2 - Magistrate is wholly unaware about the correct position of law and the application filed by the petitioner under Section 14 of the Securitisation Act is unnecessarily languishing for orders.

8. In view of the above, we direct the respondent No.2 - Chief Judicial Magistrate, Nashik to immediately take up the application filed by the petitioner under Section 14 of the Securitisation Act and to pass orders thereon within 30 days from today. No extension of time shall be granted. The Magistrate shall abide by the guidelines given by the Division Bench of this Court in the case of **L & T Finance Limited Vs. State of Maharashtra and another** (*supra*).

9. With these directions, the writ petition is disposed of.

10. Pending applications, if any, also stand disposed of.

(SHREERAM V. SHIRSAT, J.)

(MANISH PITALE, J.)

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