



CWP-6750-2026

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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CWP-6750-2026

Date of decision : 07.03.2026

AU Small Finance Bank Ltd.

.....Petitioner

Versus

State of Punjab and others

.....Respondents

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present: Ms. Deepika Mittal, Advocate,
for the petitioner.

Mr. Vipin Pal Yadav, Addl. Advocate General, Punjab.

Ms. Ridhi Bansal, Advocate (arguing counsel), and
Ms. Sidhi Bansal, Advocate,
for respondents No.5, 6 and 7.

SHEEL NAGU, CHIEF JUSTICE (Oral)

1. This petition has been filed by petitioner – Bank aggrieved by non-execution of order dated 20.02.2025 (Annexure P-3) passed by Chief Judicial Magistrate, Sangrur, u/s 14 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ('SARFAESI Act', for brevity).

1.1 It is stated that respondents No.5 to 7 – borrowers have filed SA/124/2025 before DRT-III, Chandigarh, challenging the action taken by the petitioner – bank. However, no stay/interim relief has been granted therein.



2. It is rather surprising that Tehsildar, Dhuri, District Sangrur (respondent No.3), who was appointed as Duty Magistrate with a direction to take possession of secured assets and hand over same to authorized officer of the petitioner – Bank, and Senior Superintendent of Police, Sangrur (respondent No.4) have failed to discharge their statutory duty of assisting and handing over physical possession of secured assets to petitioner – Bank.

2.1 Non-Performing Assets (NPAs) are a huge burden on the public exchequer, banking and financial system, and, thus, prompt enforcement of recovery mechanism under the SARFAESI Act is paramount for liquidity in the system.

3. In view of the above, this Court by way of writ of mandamus directs respondents No.3 and 4 to execute the order dated 20.02.2025 (Annexure P-3) passed u/s 14 of the SARFAESI Act, by handing over physical possession of secured assets to petitioner – Bank, as expeditiously as possible, preferably within a period of thirty days. Petitioner – Bank, thereafter, can proceed to adopt all possible legitimate means to liquidate secured assets to recover the due amount.

4. This petition for the time being stands disposed of in the terms aforesaid. 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.

5. 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.



6. Respondent No.3 is directed to file compliance report before the Registry of this Court within 45 days from the date of passing of this order. The Registry shall ensure that in case any deficiency is found in the compliance report so filed, the matter be placed before the appropriate Bench on the judicial side under IOIN category.
7. Needless to clarify that this order shall not come in way of any party aggrieved by any recourse/action taken under SARFAESI Act to avail appropriate remedy before DRT/DRAT as per law.

(SHEEL NAGU)
CHIEF JUSTICE

(SANJIV BERRY)
JUDGE

March 07, 2026
narotam

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No