

**CWP-12638-2026****-1-****IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH****(127)****CWP-12638-2026****Date of decision:- 25.05.2026****AU SMALL FINANCE BANK LTD.****... Petitioner****Versus****STATE OF PUNJAB AND OTHERS****... Respondents****CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL
HON'BLE MR. JUSTICE VIKAS SURI**

Present:- Mr. Vaibhav Mittal, Advocate and Mr. Shivansh Mahajan, Advocate
for the petitioner.

**********SUVIR SEHGAL, J. (ORAL)**

1. This writ petition has been filed, *inter alia*, for issuance of a writ, in the nature of mandamus, directing Chief Judicial Magistrate, Ludhiana to decide the application dated 17.02.2026, Annexure P-3, filed by petitioner under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the SARFAESI Act').

2. Counsel for the petitioner submits that borrowers had taken a loan from the petitioner's finance company and had mortgaged immovable property. Counsel asserts that due to continuous default in repayment, the loan account was classified as NPA on 08.09.2025. A notice under Section 13(2) of the SARFAESI Act was issued on 16.09.2025 (Annexure P-1), followed by notice under Section 13(4) of the SARFAESI Act dated 15.12.2025 (Annexure P-2), whereafter symbolic possession of the secured asset was taken. Counsel states that petitioner moved an application (Annexure P-3) under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Ludhiana in February 2025, which is still pending. Counsel for the petitioner states that pursuant to interim order passed by this Court, both the judgments of the Division Bench were specifically brought to



the notice of the presiding officer, but the petition under Section 14 of the SARFAESI Act has been deferred. Counsel has made a reference to the statutory provisions and has urged that the application has to be decided within the time frame provided in the statute.

3. Advance copy of the petition has been served upon the official respondents.

4. On asking, Mr. A.S.Khara, Senior DAG, Punjab has put in appearance on behalf of respondents No.1 and 2-State. He does not have any instructions.

5. Mr. Vikas Bali, Advocate has put in appearance on behalf of respondents No.3 to 7 and has filed Power of Attorney, which is taken on record.

6. Having heard counsel for parties and keeping in view the observations of this Court in **Bank of Maharashtra vs. District Magistrate, Hisar and others** 2024 (2) PLR 346 as well as in **IIFL Home Finance Limited vs. State of Haryana and others**, Law Finder Doc ID #2875322, writ petition is disposed of with a direction to Chief Judicial Magistrate, Ludhiana, to decide the application (Annexure P-3) as expeditiously as possible, preferably within a period of 60 days from the date of communication of copy of this order, unless there is any legal impediment in doing so.

(SUVIR SEHGAL)
JUDGE

25.05.2026
Kamal

(VIKAS SURI)
JUDGE

Whether Speaking/Reasoned	Yes/No
Whether Reportable	Yes/No