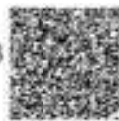


CWP-16299-2026

2026.PHHC.086289-DB



135

-1-

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

CWP-16299-2026

Date of Decision :-27.05.2026

JM Financial Asset Reconstruction Company Limited

.....Petitioner

Versus

District Magistrate, Sangrur, Punjab and others

.....Respondents

**CORAM:- HON'BLE MR. JUSTICE SUVIR SEHGAL
HON' BLE MR. JUSTICE VIKAS SURI**

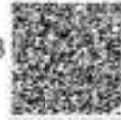
Present: Mr. Amit Kumar, Advocate and
Mr. Sunil Kumar, Advocate
for the petitioner.

Mr. Akhil Kamra, AAG, Punjab.

SUVIR SEHGAL, J. (ORAL)

1. This writ petition has been filed, *inter alia*, for issuance of a writ in the nature of *mandamus* directing respondents No. 1 and 2 to restore the physical possession of the secured asset.

2. Counsel for the petitioner submits that private respondents had availed a loan facility from the petitioner, which was sanctioned on 07.07.2015 and they created a security interest over an immovable property by way of an equitable mortgage. He submits that private



respondents failed to maintain financial discipline and defaulted in the liquidation of the outstanding dues. As per counsel, loan account was classified as NPA on 07.10.2019 and proceedings were initiated under the SARFAESI Act, 2002. Counsel points out that an order was passed under the under Section 14 of the SARFAESI Act, 2002 by Additional District Magistrate Sangrur. Counsel states that by order dated 29.05.2025, Annexure P4, this Court directed the official respondents to comply with the order of Additional District Magistrate and possession of the secured asset was delivered to the petitioner on 11.02.2026. Counsel states that on the very next day, it was found that the private respondents had forcibly entered the property and unlawfully taken back the possession of the secured asset. An FIR No. 24 dated 12.02.2026, Annexure P7, was lodged, but the possession has not been restored back, forcing the petitioner to approach this Court.

3. Having heard counsel for the petitioner, this court is of the view that it is not in dispute that an order for delivery of the possession has been passed by a Magistrate and possession of the secured asset was handed over to the petitioner, pursuant to a direction passed by this Court. The possession has been forcibly taken back by the private respondents and despite registration of a criminal case, no action has been taken by the authorities to hand back the possession to petitioner.

4. In the above background, a direction is issued to official respondents No.1 and 2 to restore the possession of the secured asset to petitioner within a fortnight from the date of communication of a copy of



this order, unless there is any legal impediment in doing so.

5. With the above direction, writ petition is disposed of.

6. A large number of cases have come to the notice of the Court where after the delivery of possession of secured asset to financial institutions, borrowers forcibly re-enter the assets. In a majority of these cases, it has been found that financial institutions have been lax in taking steps to protect the secured assets.

7. This Court is, therefore, of the view that an affidavit deserves to be called for, from the petitioner, to apprise the Court of the steps taken to guard the secured assets in possession of the financial institution, in the States of Punjab, Haryana as well as U.T. Chandigarh.

8. For this limited purpose, list on 16.07.2026.

(SUVIR SEHGAL)
JUDGE

(VIKAS SURI)
JUDGE

27.05.2026

Brij

Whether speaking/reasoned	:	Yes/No
Whether Reportable	:	Yes/No