



2026:AHC:66591-DB

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 11949 of 2026

Hinduja Housing Finance Ltd

.....Petitioner(s)

Versus

State Of U.P. And 2 Others

.....Respondent(s)

Counsel for Petitioner(s)	: Abhay Pratap Singh, Deepak Kumar, Jahnavi Tripathi
Counsel for Respondent(s)	: C.S.C.

Court No. - 1

HON'BLE AJIT KUMAR, J.

HON'BLE DEVENDRA SINGH-I, J.

1. Heard Sri Abhay Pratap Singh, learned counsel for the petitioner and learned Standing Counsel for the State respondent.
2. By means of this petition filed under Article 226 of the Constitution petitioner has prayed for following relief:-

"I. Issue Writ(s), Order(s) or Direction(s) in the nature of mandamus or any other suitable Writ Order(s) or direction commanding the learned Addl. Chief Judicial Magistrate, Court No. 7, Kanpur Nagar to take appropriate steps for disposal of the application filed by the petitioners under Section 14 of the SARFESI Act, 2002 in Case No. 2560 of 2025: "Hinduja Housing Finance Limited vs. Mr.Dinesh Kumar & Another" preferably within a time period to be fixed by this Hon'ble Court;

II. Issue a Writ of mandamus or any other appropriate Writ, Order or Direction, directing the Chief Metropolitan Magistrates/ District Magistrates, as the case may be within the territorial jurisdiction of this Hon'ble Court, to accept duly certified true copies or attested photocopies of the relevant loan documents as sufficient for the purpose of entertaining and disposing of applications filed under Section 14 of the SARFESI Act, 2002 and not to ask for originals on each date in light of the provision of Section 4 of the Bankers' Books Evidence Act, 1891."

3. It is contended on behalf of the petitioner/secured creditor that the scope of enquiry of the prescribed authority is limited to the secured

assets in terms of area prescribed in the notification for that purpose and also to enquire into as to whether secured assets is registered with central registry or not and if these compliances are there, prescribed authority has no further business to look into the correctness of the proceedings adopted by secured creditors qua measures in pursuing remedies available under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. He may either reject the application or allow the application, but cannot go into such fact finding enquiries.

4. Learned Standing Counsel submits that District Magistrate of the State Government, U.P. have already been issued directives by the State Government vide notification dated 15.10.2024 to ensure effective disposal of the application filed under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 by secured creditors. He has taken the Court though recent judgment of this bench in the matter of bunch cases being leading ***Writ C No. 42608 of 2025 (M/s Hinduja Housing Finance Ltd. v. State of U.P. and 3 Others) (Neutral Citaion 2026:AHC:6598-DB), decided on 12.01.2026***, in which vide paragraphs 24 to 28 and 37 to 41, the Court has held thus:

"24. The above-mentioned report specifies the reason for the addition of the proviso to provide the extension upto sixty days in Section 14 of the SARFAESI Act 2002, which is added only to meet certain exigencies and delay beyond even that maximum extended day in routine cannot be seen in consonance with the intention of law makers. Relevant paragraph of the Report is reproduced below for the ready reference:

*"25. Recording of reasons by CMM or DM - Clause 12
(Insertion of proviso after second proviso to section 14(1) of the principal Act).*

The Committee decide to insert the following proviso after second proviso to section 14(1) of principal Act with a view to provide further extension of time to meet certain exigencies to CMM/DM to pass an order under section 14 of the principal Act:

Provided further that where the Chief Metropolitan Magistrate or District Magistrate is of the opinion that an order under this sub-section can not

be passed within thirty days, he may after recording reasons for the same pass the order within such further period not exceeding in aggregate sixty days."

25. *Report of the Joint Parliamentary Committee can be used to understand the intention of the law makers, and it has been consistently accepted by the Supreme Court in a catena of judgements. Supreme Court in **Kalpana Mehta v. Union of India, (2018) 7 SCC 1** has discussed the issue of reliance on different parliamentary proceedings as external aids and observed as follows:*

"123. A Constitution Bench in R.S. Nayak v. A.R. Antulay [R.S. Nayak v. A.R. Antulay, (1984) 2 SCC 183 : 1984 SCC (Cri) 172] , after referring to various decisions of this Court and development in the law, opined that the exclusionary rule is flickering in its dying embers in its native land of birth and has been given a decent burial by this Court. The Constitution Bench further observed that the basic purpose of all canons of the Constitution is to ascertain with reasonable certainty the intention of Parliament and for the said purpose, external aids such as reports of Special Committee preceding the enactment, the existing state of law, the environment necessitating enactment of a legislation and the object sought to be achieved, etc. which Parliament held the luxury of availing should not be denied to the court whose primary function is to give effect to the real intention of the legislature in enacting a statute. The Court was of the view that such a denial would deprive the Court of a substantial and illuminating aid to construction and, therefore, the Court decided to depart from the earlier decisions and held that reports of committees which preceded the enactment of a law, reports of Joint Parliamentary Committees and a report of a commission set up for collecting information can be referred to as external aids of construction."

(Emphasis added)

26. *In the light of above, we are of the considered view that Section 14*

empowers the District Magistrate or the Chief Metropolitan Magistrate to render administrative assistance for taking possession of the secured asset upon satisfaction of the statutory conditions prescribed under the provisos to sub-section (1). The nature of the function discharged under Section 14 is very specific. From the reading of the provision it is clear that the function of the Magistrate is confined to verification of factual compliance with statutory requirements. The legislature has consciously ensured that collateral challenges do not impede the enforcement process, reserving such issues for adjudication before the Debts Recovery Tribunal under Section 17 SARFAESI Act 2002.

*27. Recognizing the need for expeditious action, the legislature has prescribed timelines for disposal of applications under Section 14. The incorporation of time limits is a clear reflection of legislative intent that such applications are to be decided promptly and not permitted to remain pending for indefinite periods because the extension is for meeting certain exigencies only. Supreme Court has interpreted the timeline provided in Section 14 of the SARFAESI Act 2002 and it has held that the time frame is of directory nature in **C. Bright Vs District Collector and others (2021) 2 SCC 392** while dealing with the maximum limit provided under Section 14 of SARFAESI Act 2002.*

*28. In **C. Bright (supra)** the Court was dealing with the situation where the power of the Magistrate after the maximum sixty days was under consideration and while observing the timeline being directory in nature, the Supreme Court has held that:*

*"21. The Act was enacted to provide a machinery for empowering banks and financial institutions, so that they may have the power to take possession of secured assets and to sell them. The DRT Act was first enacted to streamline the recovery of public dues but the proceedings under the said Act have not given desirous results. Therefore, the Act in question was enacted. This Court in **Mardia Chemicals®**, **Transcore®** and **Hindon Forge (P) Ltd.** has held that the purpose of the Act pertains to the speedy recovery of dues, by banks and financial institutions. The true intention of the legislature is a*

determining factor herein. Keeping the objective of the Act in mind, the time-limit to take action by the District Magistrate has been fixed to impress upon the authority to take possession of the secured assets. However, inability to take possession within time-limit does not render the District Magistrate functus officio. The secured creditor has no control over the District Magistrate who is exercising jurisdiction under Section 14 of the Act for public good to facilitate recovery of public dues. Therefore, Section 14 of the Act is not to be interpreted literally without considering the object and purpose of the Act. If any other interpretation is placed upon the language of Section 14, it would be contrary to the purpose of the Act. The time-limit is to instil a confidence in creditors that the District Magistrate will make an attempt to deliver possession as well as to impose a duty on the District Magistrate to make an earnest effort to and for reasons to be recorded within 60 days. In this light, the remedy under Section 14 of the Act is not rendered redundant if the District Magistrate is unable to handover the possession. The District Magistrate will still be enjoined upon, the duty to facilitate delivery of possession at the earliest."

37. After giving due consideration to the statutory provisions and legal principles, we are of the view that the right to approach the Magistrate under Section 14 is a substantive statutory remedy and any inordinate delay in its consideration amounts to denial of such remedy, which cannot be sustained in law. Delay in deciding applications under Section 14 has the potential to expose the secured asset to competing claims, attachments or encumbrances, thereby undermining the statutory priority expressly recognized under Section 26E. Such a consequence would be wholly inconsistent with the legislative design.

*38. This Court in **Writ C No. 7126 of 2021, Indian Bank (Erstwhile Allahabad Bank) vs. State of U.P. And 4 Others** disposed of the writ petition on 24.08.2021, with a direction that the instant proceedings be concluded necessarily within a period of 30 days unless there is any legal impediment in the nature of any stay order passed by the competent court.*

This Court has further directed as under:-

"In view of large number of petitions coming up before this Court, we issue a direction to all the District Magistrates in the State of U.P. to keep a record/register of all the pending applications filed under Section 14 of the Act that may clearly disclose to the District Magistrate (on a fortnightly basis) details of all institutions of such applications made in that district and their disposal within that time.

The said register may be duly inspected by the District Magistrate from time to time and also countersigned by him. Based on the entries recorded in such register, a quarterly report of all institution of applications filed under Section 14 of the Act together with the length of pendency of each application be sent to the Registrar General of this Court in the tabular form that may indicate the requirement of the Act is being fulfilled, in letter and spirit, who shall place the same before the appropriate Committee dealing with the functioning of the Debt Recovery Tribunals and Debt Recovery Appellate Tribunals.

The above direction has become necessary because at present, it appears that generally the proceedings for obtaining actual physical possession are being delayed much beyond the time limit set by the statute. It creates avoidable litigation and defeats the very object of the Act.

Let a copy of this order be communicated by the Registrar General to the Chief Secretary, Government of Uttar Pradesh for further intimation and compliance by all the District Magistrates in the State of U.P and the Debt Recovery Appellate Tribunal, Prayagraj. Also, let a copy of this order be placed before the appropriate Committee dealing with the functioning of the Debt Reco very Tribunal and Debt Recovery Appellate Tribunals."

39. It appears that the direction of this Court in above case has not been complied with in its letter and spirit and therefore the cases of similar nature are still before this Court in routine basis. This creates the requirement of sending the copy of this order to all district magistrates to ensure the order is being passed on applications filed under Section 14 of

the SARFAESI Act 2002 in timely manner.

40. The provisions of Sections 14, 26D and 26E must be read harmoniously. The statutory priority conferred upon secured creditors is not merely declaratory but operational, and it necessarily presupposes timely facilitation by the authorities entrusted with implementation.

41. In view of the aforesaid statutory scheme, the limited yet important function under Section 14 cannot continue with unexplained delay. We are of the view of the considered view that the petitioner-financial institution has made out a clear case for interference of this Court. Continued pendency of the application defeats the purpose of the Act and warrants issuance of appropriate directions."

5. Thus, we see no justification for the District Magistrate to keep applications filed by secured creditors pending under Section 14 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for no justifiable reason, in the light of observations made above.

6. In view of above, this petition is disposed of with direction to District Magistrate/Prescribed Authority concerned, (whichever may be) under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, to dispose of pending application of the secured creditor, namely, petitioner under Section 14 of SARFAESI Act, 2002 strictly in accordance with law as discussed in the forgoing paragraphs cited above, as expeditiously as possible, preferably within a period of thirty days from the date of presentation of certified copy of this order. We may clarify that if the Prescribed Authority needs perusal of original records, it will fix only a particular date when the bank will be producing the same instead of asking the bank to remain present with records on every date.

(Devendra Singh-I,J.) (Ajit Kumar,J.)

March 30, 2026

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