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

CWP-7214-2026 (O&M)
Date of decision : 11.03.2026

IIFL Home Finance Ltd. ...Petitioner

Vs.

State of Haryana and others ...Respondents

CORAM: HON'BLE MR. JUSTICE SUVIR SEHGAL
HON'BLE MR. JUSTICE DEEPAK MANCHANDA

Present: Mr. Vineet Sehgal, Advocate
for the petitioner.

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DEEPAK MANCHANDA, J

1. This petition has been filed seeking a direction for enforcement/compliance of the order dated 23.06.2025 (Annexure P-3) passed by respondent No. 2, the District Magistrate**,** under Section 14 of the SARFAESI Act, 2002 (for short 'the Act') whereby physical possession of the secured assets was ordered to be handed over to the petitioner, but actual physical possession has not been delivered till date.

2. The facts emanating from the pleadings of this case are that the petitioner is a financial institution and a secured creditor under the SARFAESI Act, 2002. The borrower committed default in repayment of the secured debt, whereupon the petitioner initiated proceedings under the SARFAESI Act for enforcement of its security interest. For taking physical possession of the secured assets, the petitioner filed an application before respondent No.2 (District Magistrate) under Section 14 of the SARFAESI Act, 2002, seeking administrative assistance. Respondent No.2, after considering the application,

passed an order dated 23.06.2025 directing that physical possession of the secured assets be taken and handed over to the petitioner. Regardless of the aforesaid order, the respondent Nos.3 to 6 failed to execute the same, and the petitioner has not been put in physical possession of the secured assets till date. Due to continued non-execution of the order dated 23.06.2025, the petitioner has been compelled to approach this Court by way of the present writ petition seeking appropriate directions.

3. Learned counsel for the petitioner submits that the inaction on the part of the respondents amounts to non-compliance of the statutory mandate under Section 14 of the Act, which requires expeditious assistance to the secured creditor.

4. Notice of motion restricts to respondents No.1 to 6.

5. At the asking of the Court, Mr. Anant Kataria, DAG, Haryana accepts notice on behalf of respondents No.1 to 6.

6. Heard.

7. A perusal of the pleadings shows that the petitioner, a financial institution/Bank, is aggrieved by the inaction of respondent Nos.3 to 6 in failing to provide assistance for taking over physical possession of the secured assets, inspite of the mandate of Section 14 of the SARFAESI Act, 2002 and the settled legal position governing such matters. It is the petitioner's case that although the statutory mechanism under Section 14 of the Act has been invoked, the relief contemplated thereunder has not been effectively implemented in a time-bound manner. We believe that the grievance raised in the present writ petition is squarely covered by the directions issued by the Coordinate Bench of this Court in ***CWP-7018-2022, Bank of Maharashtra v.***

District Magistrate, Hisar and others, decided on 28.05.2024, wherein guidelines were laid down for strict compliance in matters concerning delivery of physical possession under Section 14 of the Act. The relevant extract of the said judgment is reproduced hereunder.

> *"6. Learned counsel for the State assures that steps for proper implementation of the SARFAESI Act in letter and spirit shall be taken and that all pending applications under Section 14 of SARFAESI Act will be decided by 30.07.2024 and all orders which stand passed under the said Section shall be implemented by said date. This indulgence, it is submitted, is being sought in view of ongoing General Elections with polling having concluded on 25.05.2024.*
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> *7. It is to be noticed that on earlier occasions, the matters pertaining to State of Haryana as well as Punjab had been taken up on the same dates and certain directions were passed in CWP-11499-2019 pertaining to the State of Punjab. Matters pertaining to the State of Punjab stand disposed of on 14.05.2024 (CWP-11499-2019 and connected matters) with certain directions being issued. We further take note of the fact that guidelines/instructions dated 21.05.2024 placed before us are almost identical/akin to instructions dated 21.04.2024 which have been issued by the State of Punjab and as have been reproduced in order dated 14.05.2024 in CWP-11499-2019 and connected matters. In order to further streamline the process of disposal of applications filed under Section 14 of SARFAESI Act and effective implementation of orders passed thereunder, similar directions as under are passed in the present writ petitions as well:-*
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> *i. Application filed by the secured creditor under Section 14 of SARFAESI Act should be disposed of by District Magistrate/Metropolitan Magistrate within the stipulated statutory period i.e. 30 days from the date of application and if the order is not passed within the said period for reasons beyond his control, he may after recording reasons in writ-*

ing for the same pass the order within a period not exceeding an aggregate of 60 days.

ii. Such order as passed under Section 14 of SARFAESI Act should be implemented expeditiously and positively within a period of 60 days as had been directed vide order dated 06.09.2021 in CM-3178-2021 in CWP-4916-2020 subject to ordert), if any of Court of competent Jurisdiction or any legal impediment. In case the order under Section 14 of SARFARSI Act is not implemented within 60 days the officer entreted with the duty of implementation of the order shall submit a speciñe report giving reasons for non-implementation of the order and the same should be put up before the District Magistrate within a week of submission of this report who shall immediately pass appropriate orders for implementation of the order under Section 14 of SARFAESI Act.

iii. Any party whose application under Section 14 of SARFAEST Act har not been disposed of within 60 days of its filing or the order passed under Section 14 of SARFAESI Act has not been Implemented within 60 days of passing the said order would be entitled to represent before the Divisional Commissioner concerned, who shall within 15 days of receipt of such representation consider the same and issue appropriate directions for decision of the application under Section 14 of SARFAESI Act or implementation of the order passed under Section 14 of SARFAESI Act as the case may be.

iv. As observed in order dated 06.09.2021 in CWP-4916-2020 that though there is no provision for an advance notice to be given to the occupant/owner of the property before taking physical possession, but it would be desirable, that an advance notice of at least 15 days be served on the occupant before taking physical possession by the officer so deputed by the District Magistrate, so that persons to be dispossessed are not caught unawares.

v. Any person aggrieved of any order under Section 14 of SARFAESI Act needless to say is entitled to avail his remedy under Section 17 of SARFAESI Act.

vi. It shall be the duty of the Bank/FI to immediately inform the office of the implementing Authority/District Magistrate about any settlement etc. with the borrower. In case settlement is ultimately not possible, the Bank/Fl is at liberty to file appropriate application before District Magistrate, upon which necessary action for securing possession be directed to be resumed.

vii. Guidelines dated 21.05.2024, issued Commissioners/Deputy Commissioners/District Revenue Officers in the State of Haryana as attached with affidavit dated 28.05.2024 of Deputy Secretary to Government of Haryana, Revenue and Disaster Management, Department, Haryana, Chandigarh, should be strictly complied with.

viii. Senior Police official not below the rank of DSP, be appointed as Nodal Officer in all the districts for monitoring the matters in respect to SARFAESI Act.

ix. Regular monitoring of all pending applications under Section 14 of SARFAESI Act/implementation thereof shall be carried out firstly at the level of the District Magistrate and then at the level of Financial Commissioner, Revenue, on a monthly basis to ensure expeditious disposal. In case, it is found that proceedings have been postponed for frivolous grounds, disciplinary action may be taken in accordance with law.

x. The State would take necessary steps to put in place a system whereby the entire information about filing of applications under Section 14 of SARFAESI Act and their status is reflected on the website of the Department itself."

8. Thereafter, another Coordinate Bench in ***CWP-23941-2025, AU Small Finance Bank Vs. State of Punjab and others, decided on 20.08.2025***, once again reiterated the legal position and the necessity of strict adherence to the guidelines earlier laid down in the case of ***Bank of Maharashtra (supra)***.

The Court, while dealing with a similar grievance regarding non-compliance of Section 14 of the Act, emphasized the obligation of the District Magistrate to act expeditiously and in a time-bound manner for facilitating the delivery of physical possession of secured assets. It further made specific observations to ensure effective implementation of the previously issued directions, thereby reinforcing the binding nature of the guidelines upon the authorities concerned. The relevant extract of the said judgment is also reproduced below.:-

> *"5. The 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.*
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> *6. 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.*
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> *7. It is surprising to note that time and again this Court is coming across cause of actions raised by the Banks aggrieved by the fact that an order passed under Section 14 of the SARFAESI Act is not executed. The scheme of the SARFAESI Act enjoins the District Magistrate to pass an order under Section 14 of the SARFAESI Act within the extended period of 60 days, and thereafter, the Tehsildar or the concerned Revenue Authority to execute such order without any unnecessary delay. Merely because, time frame is not prescribed for execution of an order passed under Section 14 of the SARFAESI Act does not mean that the District Magistrate and the concerned Revenue*

Authority sits over the file, thereby frustrating the object of SARFAESI Act, which is inter alia to expeditiously recover the mounting bad debts in shape of NPA which are a huge burden on the public exchequer.

8. It is further surprising to note that a Coordinate Bench of this Court, vide common order as early as 14.05.2024, passed in a bunch of petitions including CWP No. 11499 of 2019 and CWP No. 7738 of 2023, laid down not only the procedure to be followed by the District Magistrate/Chief Judicial Magistrate, as the case may be, to deal with an application u/s 14 of SARFAESI Act, but also prescribing timeline for implementation and execution of such orders passed u/s 14 of SARFAESI Act.

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10. It appears that the functionaries of the State have either not been made known of this order passed by the Coordinate Bench of this Court on 14.05.2024 or they are intentionally not complying with the same.

11. In view of the above, this Court is compelled to direct the Chandigarh Judicial Academy to hold an Orientation Course for all District Magistrates and Tehsildars of all the districts in the States of Punjab, Haryana and U.T., Chandigarh, as early as possible.

12. Learned counsel for the States of Punjab and Haryana, present in the Court, are directed to facilitate the direction contained in para 11 (supra).

13. A copy of this order be forwarded to the Chief Secretaries of Punjab, Haryana and to the Deputy Commissioner, U.T., Chandigarh for compliance. 14. It is expected that after attending the Orientation Course, the District Magistrates/Deputy Commissioners shall *discharge their statutory duty of passing orders under Section 14 of the SARFAESI Act, within a maximum period of 60 days and ensure execution of the same by themselves or through subordinate Revenue Authorities without unnecessary delay but not later than 30 days of the passing of order u/s 14 of SARFAESI Act.*

15. This Court further observes that any failure on the part of District Magistrate/Deputy Commissioner in performing statutory duty of passing or executing an order under Section 14 of SARFAESI Act would amount to contempt of the orders passed by this Court."

9. Further, in view of the continued non-compliance of the mandate of Section 14 of the Act and the settled legal position, we have observed that many petitions are being repeatedly filed raising identical grievances against both the respondent-State authorities, i.e. the State of Haryana as well as State of Punjab. In the case of ***AU Small Finance Bank (supra)***, the Coordinate Bench has categorically observed that any failure on the part of the District Magistrate/Deputy Commissioner in discharging the statutory duty of passing or executing orders under Section 14 of the Act would also amount to contempt of the orders passed by this Court. The said judgment was directed to be circulated to the Chief Secretaries of the States of Punjab and Haryana as well as to the Deputy Commissioner, U.T. Chandigarh for strict compliance.

10. The Court, taking serious note of the conduct of the State authorities, even issued directions to organize an Orientation programme for all District Magistrates and Tehsildars across the States of Punjab, Haryana and U.T. Chandigarh, so as to ensure proper understanding and implementation of the statutory mandate and judicial directions. Despite such explicit directions

and repeated judicial pronouncements, the authorities have continued to disregard the mandate of Section 14 of the Act and the guidelines laid down in the case of ***Bank of Maharashtra (supra)***, resulting in persistent inaction.

11. This repeated non-compliance reflects a concerning state of affairs and amounts to clear disobedience of the orders passed by this Court. It is further evident that even after the authoritative pronouncements in the aforementioned cases, the respondent-authorities have failed to implement the prescribed guidelines, leading to an unnecessary burdening of this Court with numerous petitions seeking identical reliefs.

12. The law is well settled that under Section 14 of the SARFAESI Act, the role of the District Magistrate is essentially administrative in nature and not adjudicatory. The District Magistrate is required to confine the examination strictly to the verification of the factual correctness of the contents of the application/petition/affidavit filed by the secured creditor. The scope of scrutiny does not extend to examining the legal validity or correctness of the measures taken by the secured creditor under the Act. It is settled that any dispute or challenge raised by the borrower with respect to the action of the secured creditor lies within the exclusive jurisdiction of the Debt Recovery Tribunal under Section 17 of the Act. Consequently, the District Magistrate is under a statutory obligation to act expeditiously and decide the application under Section 14 of the Act without entering into adjudicatory issues, limiting the consideration only to the factual assertions contained in the application submitted by the bank. In case of ***R.D.Jain & Co. Vs. Capital First Limited and others, 2023 (1) SCC 675***, the Hon'ble Supreme Court has clarified that while disposing of the application under Section 14 of the Act, no element of

quasi-judicial function or application of mind is required. The Magistrate has to adjudicate and decide the correctness of the information given in the application and nothing more. Therefore, Section 14 of the Act does not involve an adjudicatory process qua points raised by the borrower against the secured creditor taking possession of secured assets.

13. As per pleadings, the order dated 23.06.2025 passed by respondent No.2 has admittedly not been executed till date, resulting in an inordinate delay of approximately nine months in implementing the same. Such prolonged inaction on the part of the respondent-State authorities defeats the very purpose and object of Section 14 of the SARFAESI Act, 2002, which mandates prompt assistance for taking physical possession of the secured assets. The conduct of the respondents, in effect, has paralyzed the statutory mechanism and created an unwarranted impediment in the enforcement of secured creditor's rights. This continued non-compliance is not only contrary to the statutory mandate but also constitutes a clear violation of the settled legal position as laid down by the Hon'ble Supreme Court as well as by this Court in a catena of judgments, which emphasize expeditious and time-bound action under Section 14 of the Act.

14. A perusal of the pleadings would show that respondent No.2– District Magistrate had passed an order dated 23.06.2025, authorizing the petitioner/Bank to take over physical possession of the secured property with police assistance, in accordance with law. The Duty Magistrate was also directed to extend necessary assistance for maintaining law and order at the time of taking possession, subject to there being no subsisting stay or prohibitory order from any competent Court or Tribunal having jurisdiction

over the matter. Notably, no such stay or prohibitory order has been placed on record.

15. It is further borne out from the record that in pursuance of the said order, respondent No.4, i.e. Tehsildar-cum-Executive Magistrate (Duty Magistrate) issued multiple notices dated 08.07.2025, 11.08.2025, 19.09.2025 and 10.12.2025 (Annexures P-4 to P-7), indicating that physical possession of the mortgaged property would be taken. Simultaneously, communications were addressed to respondent Nos.5 and 6 for providing requisite police assistance to facilitate the process of taking possession. However, despite such repeated steps and formal communications, the necessary assistance was not extended, and the possession of the property was neither taken nor handed over to the petitioner. This continued inaction reflects a clear failure on the part of the concerned authorities in executing the order passed under Section 14 of the Act.

16. To strengthen our view, we draw force from the doctrine of '*stare decisis*' and term '*precedent*'. A precedent is that which precedes or comes before. Courts rely on precedents, namely earlier judicial decisions or laws that furnish an example or rule guiding the adjudication of subsequent cases. The binding force of judicial precedents is founded upon the doctrine of *Stare decisis*. The doctrine of ***stare decisis***—an abbreviation of the Latin maxim ***'stare decisis et non quieta movere***'- means "to stand by decided cases and not to disturb settled matters." It is a well-recognized principle of legal jurisprudence which rests upon the premise that the law governing society must be certain, definite, and known. When the law is declared by a Court of competent jurisdiction authorized to construe it, such declaration, in the

absence of palpable error or manifest injustice, constitutes evidence of the law until altered by a competent authority. The doctrine mandates that rules of law, once clearly enunciated and settled by judicial pronouncement, should not be lightly disregarded or departed from, but ought to be followed in similar cases. Where a principle of law has attained finality through a consistent line of decisions, it becomes binding on courts and the State alike. The doctrine thus ensures stability, certainty, and predictability in the legal system, enabling citizens to regulate their affairs with confidence.

17. Following the same settled principles, we are of the firm view that commands of law and judgments which have attained finality must not only appear to be respected, but must be faithfully enforced and implemented, for "***lex non frustra jubet***" meaning thereby that legal rules, judicial commands, as legislative provisions should not be interpreted as useless, meaningless by Tribunal. The State has pervasive and continuing obligations to discharge in maintaining the standards expected of it while granting relief to the petitioner. Once judgments attain finality, particularly where the State is a party, a corresponding duty is cast upon it to grant the relief so directed. The cumulative effect of the settled principles of law is that the State must eschew discrimination in granting benefits to persons identically situated, even if some of them have not approached the Court, where judgments relating to the same subject matter have already attained finality. The State is expected to act with fairness and grace and to discharge its implicit obligation to extend similar benefits to other petitioner, especially in matters where the State has repeatedly failed in litigation. It would, therefore, be desirable for the State to retrace its steps rather than persist in passing unjustified and legally unsustainable orders.

18. The judgments in ***Bank of Maharashtra (supra) and AU Small Finance Bank (supra)***, insofar as they relate to compliance with Section 14 of the Act, make the legal position unequivocally clear. Despite the same, the respondent-State failed to adhere to the mandate of the said judgments in their true letter and spirit. Further, the deliberate delay on the part of the respondents, either in not passing appropriate orders or in not executing the orders already passed by respondent No.2, namely the District Magistrate, under Section 14 of the Act, is wholly untenable. Such conduct is in clear derogation of the settled principles of '***stare decisis'*** and legitimate administrative fairness, which the State is duty-bound to observe once the issue stands conclusively settled by the aforesaid judgments and has thereafter been reiterated in subsequent decisions.

19. What is even more surprising is that despite the aforementioned judgments being very well within the knowledge of the State authorities, the respondents have still failed to comply with the settled legal position and have unnecessarily delayed the process. Such conduct on the part of the respondents is wholly unjustified, cannot be countenanced, and deserves to be strongly deprecated and same is in the teeth of binding judicial precedents. In these circumstances, as a punitive measure, this Court is constrained to impose costs of Rs.50,000/- each upon the State authorities, namely, the State of Haryana, and the State of Punjab, the same is ordered to be deposited with Institute for Blind, Sector-26, Chandigarh within one month, from the date of receipt of copy of this order.

20. Given the above discussion, the writ petition is allowed with the following directions:-

i) Respondent No.2 is directed to handover the physical possession of the secured asset in compliance of the Section 14 of the Act and in light of its own order dated 23.06.2025 strictly within two months from the receipt of copy of this order subject to there being no subsisting stay or prohibitory order from any competent Court or Tribunal having jurisdiction over the matter.

ii) It is clarified that if there is no such prohibitory order then non-compliance of this order shall be treated as contemptuous in terms of the order passed in ***AU Small Finance Bank (supra)***, and for the said purpose, the liberty is granted to the petitioner for moving an appropriate application.

iii) The strict compliance of the guidelines in terms of ***Bank of Maharashtra's case (supra)*** be also made**.**

iv) It is clarified that we are not expressing any opinion on the merits of the matter. This order shall have no bearing on adjudication by the competent Court/Tribunal.

21. The Registry shall list this matter again confined to a limited issue, if the cost imposed in accordance with the aforesaid directions, is not paid by both the States.

(DEEPAK MANCHANDA)
JUDGE

(SUVIR SEHGAL)
JUDGE

11.03.2026
vanita

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