



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

140

CWP-11620-2026

Date of Decision: 20.04.2026

AU SMALL FINANCE BANK

...Petitioner

Versus

STATE OF PUNJAB AND ORS

...Respondents

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

Present: Ms. Deepika Mittal, Advocate,
for the petitioner (through V.C.).

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 16.10.2025, 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-finance company and had mortgaged immovable property. Counsel asserts that due to continuous default in repayment, the loan account was classified as NPA on 08.08.2024. A notice under Section 13(2) of the SARFAESI Act was issued on 21.04.2025 (Annexure P-1), followed by notice under Section 13(4) of the SARFAESI Act dated 26.08.2025 (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 October 2025, which is still pending.

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. Aftab Singh Khara, Sr. DAG, Punjab has put in appearance on behalf of respondents-state. He does not have any instructions.

5. 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

(VIKAS SURI)
JUDGE

April 20, 2026
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Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No