2026:JHHC:21093

IN THE HIGH COURT OF JHARKHAND AT RANCHI

W.P(C) No. 4807 of 2026

ICICI Bank Ltd, a company incorporated under the Companies Act having it's registered office at ICICI Bank Tower, PO & P.S Racecourse Circle, Near Chakli Circle, Old Padra Road, Dist. Vadodra, State Gujrat, one of its branch at Amravati Complex, PO & PS Lalpur Distr Ranchi being represented through its authorized representative Sri Praveen Kumar, S/o Girendra Singh, working as Manager at Amravati Complex, PO and PS Lalpur, Dist. Ranchi **.... Petitioner(s).**

Versus

1.The State of Jharkhand through the Secretary, Department of Personnel, Administrative reforms and Rajbhasa, Government of Jharkhand
2. District Magistrate- cum- Deputy Commissioner, Jamtara
3.Nigam Krishna Singh, S/o Pawan Kumar Singh, Vill- Chakri, PO Ladhna, PS Jamtara, Dist Jamtara
4.Sudha Kumar, W/o Nigam Krishna Singh, Vill Chakri, PO Ladhna, PS Jamtara, Dist Jamtara
5. Rekha Devi, C/o Pawan Kumar Singh, Regal Resort, Station Road, PO/PS & District Jamtara
2.The Chief Secretary, Government of Jharkhand
3.The Commissioner, Santhal Pargana, Dumka
4. The Deputy Commissioner, Pakur
5.The District Transport Officer, Pakur
6.Chanchla Saha, S/o Bhandulal Saha, R/o Village+ PO Satgoria, P.S. Malda, District Malda, West Bengle. **... Respondent(s).**

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CORAM : SRI ANANDA SEN, J.

For the Petitioner(s) : Mr. Bharat Kumar, Advocate
Mr. Rahul Sinha, Advocate
Mr. Sparsh Kumar Rai, Advocate

For the State : Mr. Baibhaw Gahlaut, AC to AAG-V

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02/ 17.07.2026: Heard, learned counsel for the petitioner and learned counsel for the State.

2. I am deciding this writ petition without the counter affidavit and without issuing notice to the respondent Nos.3, 4 and 5 as the issue in this writ petition involves law point with admitted facts and the only relevant fact is that the application under Section 14 of the SARFESAI Act has been adjudicated by the Deputy Commissioner after hearing the borrower, thereupon directing the Bank to restructure the loan. The issues have already been dealt with and decided in judgment falls in W.P.(C) No.4270 of 2026 and other analogous cases. Further, it is not

necessary to notice to the borrower on whose behest the Deputy Commissioner has passed the order, as the borrower has no *locus standi* at the stage of Section 14 of the SARFAESAI Act. He has got no right to be heard and the principle of nature justice does not come in play at the stage of Section 14 of the SARFAESAI Act, inasmuch as if there is any grievance the remedy lies in Section 17 of the SARFAESAI Act.

3. By way of filing this writ petition, the petitioner has sought for the following reliefs:-

> "*(i) Writ/writs, order/orders direction/ directions or writ declaring that the Deputy Commissioner does not have a jurisdiction to adjudicate an application under Section 14 of SARFAEST Act rather the role is merely ministerial one.*
> *(ii) For issuance of an appropriate writ/writs, order/orders, direction/ directions or writ in the nature of certiorari quashing the order dated 15.01.2026 passed by the Respondent No.2 in an application preferred by the petitioner under Section 14 of the SARFAEST Act communicated to the petitioner vide Memo no.10/Vidhi, Jamtara dated 16.01.2026 (Annex-3) directing the petitioner to restructure the EMI within 2 months of the order and direct the respondent no.2 to dispose of the Section 14 SARFESAI Application file by the petitioner immediately.*"

4. Petitioner is the public limited company which provide loan to the borrower. The petitioner's company has sanctioned and disbursed a loan of Rs.1,39,00,000/- to the borrower, Nigam Krishna Singh and Co-borrower, Sudha Kumari. After availing the loan, the borrower fails to comply the loan agreement and committed default in repayment of the loan. Despite service of demand notice issued under Section 13(2) of SARFASI Act dated 08.01.2025, the proforma respondents continued to ignore payment of outstanding dues to the petitioner Bank. Finally, the petitioner Bank therefore, filed an application under Section 14 of SARFASI Act on 23.06.2025 before the Deputy Commissioner Cum District Magistrate, Jamtara (respondent No.2), but respondent No.2 did not take action as per mandate of Section 14 of SARFASI Act.

5. The issue raised in this writ petition is similar to the issue which

has been raised in W.P.(C) No.4270 of 2026 (Jharkhand Gramin Bank vs. State of Jharkhand & Others) and analogous cases, which has been disposed of by this Court on 15.07.2026.

6. Along with the other issues, the main issue which were decided in W.P.(C) No.4270 of 2026 and analogous cases are as follows:-

> *(i) Whether Section 14 of the SARFAESI Act gives an adjudicating power to the District Magistrate.*
> *(ii) Whether time is an essence for an application filed under Section 14 of the SARFAESI Act.*

7. Answering the first issue, this Court has held that any type of adjudication is beyond the purview and scope of Section 14 of SARFASI Act and also beyond the jurisdiction of the District Magistrate. The nature of the duty, which the Deputy Commissioner has to perform under the Section 14 of the Statute is ministerial in nature and is not adjudicatory by any means, nor can they even make any roving enquiry about the title or the nature of transfer of the property. In this respect, it is necessary to quote paras 26 and 27 of the aforesaid judgment, which is quoted hereunder:-

> *26. The next question, which arises for consideration, is based on the arguments advanced by learned Advocate General and the Deputy Commissioners. It was their contention that they have to look into the title of the property and in some cases to look into the genuineness and legality of the transfer and also whether any transfer is prohibited by any law or not. In this context, it has to be noted that any type of adjudication is beyond the purview and scope of Section 14 of the SARFAESI Act and also beyond the jurisdiction of the authority. The statute has not vested upon them to adjudicate any issue. Nature of duty, which they perform under this Statute is, purely, ministerial in nature and is not adjudicatory by any means, nor can they even make any roving enquiry about the title or the nature of transfer of the property. The Hon'ble Supreme Court in the case of Balkrishna Rama Tarle (supra) at paragraph 18 has held that the power exercised by the District Magistrate under Section 14 of the Act does not involve any adjudicatory process qua points raised by the borrowers against the secured creditor. Once all the requirements under Section 14 of the SARFAESI Act are fulfilled and complied with and satisfied by the secured creditor, it is the duty of the District Magistrate to assist the secured creditor in taking possession of the assets which are secured. Paragraph 18 of the aforesaid judgment reads as under: -*
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> *"18. Thus, the powers exercisable by CMM/DM under*

Section 14 of the Sarfaesi Act are ministerial steps and Section 14 does not involve any adjudicatory process qua points raised by the borrowers against the secured creditor taking possession of the secured assets. In that view of the matter once all the requirements under Section 14 of the Sarfaesi Act are complied with/satisfied by the secured creditor, it is the duty cast upon the CMM/DM to assist the secured creditor in obtaining the possession as well as the documents related to the secured assets even with the help of any officer subordinate to him and/or with the help of an advocate appointed as Advocate Commissioner. At that stage, the CMM/DM is not required to adjudicate the dispute between the borrower and the secured creditor and/or between any other third party and the secured creditor with respect to the secured assets and the aggrieved party to be relegated to raise objections in the proceedings under Section 17 of the Sarfaesi Act, before the Debts Recovery Tribunal."

27. This Court also in W.P.(C) No. 2182 of 2026 [Tata Capital Housing Finance Limited versus State of Jharkhand & Others] and W.P.(C) No.5133 of 2023 [Tata Capital Housing Finance Limited versus State of Jharkhand & Others] has held that the District Magistrate is not an adjudicatory authority. His duty is only to assist the creditor in taking possession of the property peacefully and if there is any obstruction by any person, then to take appropriate action.

8. The second issue which is regarding the time line of disposing application under Section 14 of SARFASI Act has been answered by this Court in paras 22 to 25 of the said judgment, which are quoted hereinunder:-

22. In the case of C. Bright versus District Collector and Others reported in (2021) 2 SCC 392, at paragraph 21, the Hon'ble Supreme Court has held that the purpose of the Act pertains to speedy recovery of the dues of the bank and financial institutions. Intention of the legislation is the determining factor. Keeping the objective of the Act in mind, the time limit to take action has been fixed. It has also been held that inability to take possession within the time limit does not render the District Magistrate functus officio. The secured creditor has no control over the District Magistrate, who is exercising the jurisdiction under Section 14 of the Act for public good to facilitate recovery of public dues. Failure to comply with the timelines of 30 days and 60 days cannot be said to frustrate the action, which a District Magistrate needs to take in terms of the Act. The Hon'ble Supreme Court interpreted the aforesaid provision, considering the object and purpose of the Act, rather than interpreting the Act literally. It has held that any other interpretation contrary would run to the detriment of the Act. The duty casted upon the Magistrate is to make an earnest effort to comply with the mandate of the statute and in the event if he fails to do so, remedy does not become redundant. District Magistrate still has to facilitate delivery of the *possession by invoking jurisdiction under Section 14 of the Act. It is necessary to quote paragraph 21 of the aforesaid judgment, which reads as under: -*

> *"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 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 instill 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 comply with the mandate of the statute to deliver the possession within 30 days 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."*

23. This clearly reflects the true purpose of the Act and the nature of the timeline so fixed. Timeline so fixed can be said to be directory. Thus it has to be interpreted that the timeline to perform duty is directory and if it is not fulfilled within the said time, the District Magistrate does not become functus officio, rather he has to complete the statutory duty vested upon him. Not only he is vested with the duty to pass an order under Section 14 of the Act and ensure assistance to take possession of the secured assets, but in view of the order passed by the Hon'ble Supreme Court in the case of M/s India Infoline Home Finance Limited versus Nageswara Rao Perikala and Ors. [order dated March 16, 2026 in S.L.P.(C) No. 26160 of 2025], the Chief Judicial Magistrate has the statutory obligation to ensure that the warrant of possession is executed and the secured creditor is not required to run from pillar to post.

24. In this context, it is necessary to take note of the observations made by the Hon'ble Supreme Court in the case of Standard Chartered Bank versus V. Noble Kumar and Others reported in (2013) 9 SCC 620, at paragraph 20 and 21 thereof, which read as under: -

> *"20. In every case where the objections raised by the borrower are rejected by the secured creditor, the secured creditor is entitled to take possession of the secured assets. In our opinion, such action – having regard to the object and scheme of the Act – could be taken directly by the secured creditor. However, visualizing the possibility of resistance for such action, Parliament under Section 14 also provided for seeking the assistance of the judicial power of the State for obtaining possession of the secured asset, in those cases where the secured creditor seeks it. 21. Under the scheme of Section 14, a secured creditor who desires to seek the assistance of the State's coercive power for obtaining possession of the secured asset is required to make a request in writing to the Chief Metropolitan Magistrate or District Magistrate within whose jurisdiction, the secured asset is located praying that the secured asset and other documents relating thereto may be taken possession thereof. The language of Section 14 originally enacted purportedly obliged the Magistrate receiving a request under Section 14 to take possession of the secured asset and documents, if any, related thereto in terms of the request received by him without any further scrutiny of the matter."*

25. Thus, it is the duty of the Chief Judicial Metropolitan Magistrate / District Magistrate first to make an endeavour to dispose of the application within timeline provided by the statute and if not, to dispose of the application as expeditiously as possible without keeping the application pending for a considerable period of time. If the same is kept pending, it will only frustrate the purpose of the Act and not only that, it will also give undue benefit and advantage to the defaulters, which is not the intent of the Act. Once the process has been started by the Authority, the Authority must take it to its logical conclusion without delay. If there is delay, the reasons for the same has also to be recorded. This is the intent of Section 14 of the Act.

9. In this case, the respondent No.2 did not take any action as per mandate of Section 14 of SARFASI Act. Despite there being no provision of issuing notice to the borrowers/ Proforma respondents, notices were issued by the respondent No.2 by the District Magistrate. The Borrowers/ Proforma Respondents appeared before the respondent No.2 and filed objection to application Section 14 of SARFASI Act. Instead of facilitating in timely possession of the secured asset, the respondent No.2 concluded hearing of the application and passed order dated 15.01.2026, which communicated to the petitioner vide Memo No.10/Vidhi, Jamtara dated 16.01.2026,

directing the petitioner to restructure the EMI within 2 months of the order. This is not mandate of Section 14 of SARFASI Act. The respondent No.2 has no adjudicatory power in this case. The nature of duty which the respondent No.2 has performed here is unknown to law. The District Magistrate transgressed the jurisdiction vested upon him under Section 14 of the Act. He adopted a mechanism which is unknown. He assumed the jurisdiction, illegally.

10. Considering the aforesaid fact and in view of the judgment passed in this case in W.P.(C) No.4270 of 2026 and analogous cases the order dated 15.01.2026 passed by the respondent No.2 which is beyond jurisdiction is set aside.

11. The respondent No.2 is directed to pass a fresh order on the application preferred by the petitioner under Section 14 of SARFAESI Act within 30 days, strictly adhering to the judgment passed in W.P.(C) No.4270 of 2026 and analogous cases.

12. Accordingly, the instant writ petition stands **allowed**.

13. Pending I.A(s)., if any, stands disposed of.

(ANANDA SEN, J.)

17th July, 2026
R.S./S.K.C.
Uploaded on 20/07/2026