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WP-49300-2025

IN THE HIGH COURT OF MADHYA PRADESH
AT INDORE

BEFORE

HON'BLE SHRI JUSTICE VIJAY KUMAR SHUKLA

&

HON'BLE SHRI JUSTICE ALOK AWASTHI

ON THE 14th OF JANUARY, 2026WRIT PETITION No. 49300 of 2025

*AU SMALL FINANCE BANK LIMITED THROUGH AUTHROIZED
SIGNAGTORY MR MADHUR GUPTA S/O SHGRI M L GUPTA AGE*

*Versus**THE STATE OF MADHYA PRADESH AND OTHERS*

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Appearance:

Shri Rohit Saboo - Advocate for the petitioner.

Shri Surendra Kumar Gupta - Govt. Advocate for respondents/State,
on advance notice.

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ORDER

Per. Justice Vijay Kumar Shukla

The petitioner is challenging the procedure adopted by the Upper Collector, Mandsaur while deciding the application under Section 14 of the SARFAESI Act, 2002. He has drawn our attention to the order sheets which shows that the said authority on the application filed by the petitioner / Secured Creditor under Section 14 of the SARFAESI Act, 2002 has issued notices to the borrower and thereafter the case is kept pending since 29th August, 2025.

Learned counsel for the petitioner argued that the procedure adopted by the said authority is contrary to the procedure prescribed under Section 14



of the SARFAESI Act, 2002 under the law.

We have noticed that in number of cases the District Authorities are not deciding the application under Section 14 of the SARFAESI Act, 2002 in accordance with law and contrary to the law and the object of Section 14 of the Act they are issuing notices to the borrower and keeping the matter pending. In the present case, we find that the application is pending since August, 2025.

In view of the aforesaid, we direct the respondent No.2 to decide the pending application of the petitioner within ten days from the date of filing of the certified copy of the order passed today.

As per the judgment passed by the Division Bench of the High Court of Madhya Pradesh in the case of Equitas Small Finance Bank Ltd. V/s. State of M.P. passed in W.P.No.26176/2023 decided on 23rd November, 2023 it has already been held that for deciding an application under Section 14 of the SARFAESI Act, the notices are not required to be issued to the borrower. The Court has further held that while deciding the application, the authority has to consider only two aspects :-

- (i) Whether the secured assets fall within the territorial jurisdiction ?.
- (ii) Whether notice under Section 13(2) of the SARFAESI Act has been furnished or not ?.

The following order was passed after para 21, which reads as under :-

*"Let a copy of this order be sent to the Registrar General,
High Court of M.P, Jabalpur.*

The Registrar General, High Court of M.P., Jabalpur is



directed to circulate the copy of this order to all the Principal District Judges in the State of M.P. with a direction to circulate this order amongst Chief Judicial Magistrate who are exercising powers under the SARFAESI Act in their respective districts. The Registrar General is also directed to send a copy of this order to the Principal Secretary, Revenue Department, Bhopal with a request to circulate this order amongst all DM/ADM in the State of Madhya Pradesh only for the purpose of avoiding unnecessary delays and unwanted procedures giving rise to flooding of High Court with unwanted litigation."

Despite the said order the competent authorities are still issuing the notices to the borrower and following the procedure as if the matter is being heard on merits. It is well settled that the proceedings under Section 14 of the SARFAESI Act is a special kind of administrative function. The Principal Secretary, Revenue Department, Vallabh Bhavan, Bhopal (M.P.) shall circulate this order to all the District Magistrate / Additional District Magistrate of the State of Madhya Pradesh for the purpose of avoiding unnecessary delay and unwanted procedures.

With the aforesaid, the petition stands disposed off.

(VIJAY KUMAR SHUKLA)
JUDGE

(ALOK AWASTHI)
JUDGE

SS/-