



SARFAESI

No Toll for Police Help: Rajasthan HC Blocks Magistrate Bid to Load SARFAESI Section 14 With Pre-Deposit

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A single line buried in a Magistrate's order threatened to turn the summary remedy of Section 14 of the SARFAESI Act into a money-up-front hurdle. Tyger Home Finance Pvt. Ltd., a non-banking finance company with registered office at Shikhar, Navrangpura, Ahmedabad and corporate office in Mumbai, had obtained symbolic possession of a house in Alwar and approached the Chief Judicial Magistrate for the last mile physical possession with police assistance. The CJM, Alwar agreed to help, but only if the financier first deposited ₹ 6.34 lakh toward "police expenses". The amount was disproportionate considering the outstanding loan; the precedent was zero. The Rajasthan High Court at Jaipur, on the company's writ petition, has now deleted that condition and restated what an order under Section 14 can, and cannot, demand.

Table of contents

- [The facts that brought the parties to court](#)
- [Rival contentions in the writ courtroom](#)
- [The Court's examination of jurisdiction](#)
- [Outcome and directions](#)
- [Concluding perspective](#)

The facts that brought the parties to court

Respondents had mortgaged their property to Tyger Home Finance. After default, the lender followed the statutory script: demand notice under Section 13(2), symbolic possession under Section 13(4), and then the mandate application under Section 14 read with Rule 4 of the Security Interest (Enforcement) Rules, 2002. On 12 August 2024 the Chief Judicial Magistrate, Alwar passed the possession order, but inserted the impugned direction: "approach the police for assistance after depositing the expenses of such police help". The local police, vide letter dated 27 February 2025, quantified the help at ₹ 6,34,383. The lender's recovery of about ₹9,90,000/- was suddenly upside-down and the costs were extremely disproportionate.

Rival contentions in the writ courtroom

Counsel for Tyger Home Finance argued that nowhere in Section 14 is a secured creditor asked to pre-finance the state machinery. The section is remedial; its object is speed, not a levy. Reliance was placed on a Division-Bench ruling of the Allahabad High Court in PNB Housing Finance Ltd. v. State of U.P. and on a coordinate Bench judgment of the Jodhpur seat in Valeed Ahmed v. Commissioner of Police where similar deposit directions were struck down. The State contended that logistical deployment of force involves expenditure and the condition was only pragmatic. No statutory clause or precedent was cited to defend the levy.

The Court's examination of jurisdiction

Justice Ashutosh Kumar, upon perusing the file, recorded an unambiguous finding: "Admittedly, there is no provision under Section 14 of the Act of 2002 which may authorize the learned Magistrate to direct the secured creditor to deposit any expenses of police assistance." The judge emphasised that once the Magistrate is satisfied that the lender is entitled to possession, the duty is to facilitate, not to interpose a financial gate. Any other reading would convert a summary procedure into a mini-litigation on costs, frustrating the very purpose of the SARFAESI regime.

Outcome and directions

The impugned portion of the 12 August 2024 order was therefore "set aside". The petitioner was told to move an execution application before the concerned police authorities; the police were directed to comply with the original possession order "at the earliest" and without insisting on a deposit. All pending applications stood disposed of, closing the chapter for Tyger Home Finance and signalling to every Magistrate in Rajasthan that police assistance under Section 14 is part of the State's enforcement obligation, not a billable service.

Concluding perspective

The judgment reinforces a larger principle: summary statutory remedies lose their sting if courts tack on extraneous pre-conditions. For lenders it means recovery timelines stay intact; for borrowers it keeps the process free of hidden costs; for the

judiciary it is a reminder that convenience cannot override codified limits. As asset-financing volumes grow, the Jaipur-Bench decision will be cited whenever a Magistrate is tempted to equate police help with a priced ticket ie., Section 14 is a facilitator, not a fund-raiser.

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