



**HIGH COURT OF JUDICATURE FOR RAJASTHAN
AT JODHPUR**

S.B. Civil Writ Petition No. 12432/2026
CNR: RJHC010554352026
URN: CW / 22572U / 2026

Au Small Finance Bank Ltd

----Petitioner

Versus

The State Of Rajasthan

----Respondent

For Petitioner(s) : Mr. Vijay Puorhit
with Mr. Hanuman Singh Gour
Mr. Pradeep Singh Rajpurohit
Mr. Arpit Mehta

For Respondent(s) : Mr. Raj Singh Bhati & Mr. Paramvir
Singh for Mr. Rituraj Singh Bhati, GC
Mr. Sandeep Soni
for Mr B.L. Bhati, AAG

HON'BLE MR. JUSTICE SAMEER JAIN

Order

06/07/2026

1. The present petition has been filed invoking the extraordinary writ jurisdiction of this Court as enshrined under Article 226 of the Constitution of India.

2. Mr. Vijay Purohit, learned counsel appearing on behalf of the petitioner-Bank, submits that the petitioner is a private banking institution funded by private equity. It is submitted that the imposition of charges by the Police Department for providing assistance during the recovery of secured assets is not justified and that the same is against the statutory provisions as enshrined under the relevant acts.

3. Learned counsel submits that under the statutory framework of Section 14 of the Securitisation and Reconstruction of Financial



Assets and Enforcement of Security Interest Act, 2002 (for short, 'SARFAESI Act'), the concerned Chief Judicial Magistrate or the competent authority issues explicit directions for the deployment of force to assist the secured creditor in taking physical possession of secured assets. It is vehemently argued that the term *force* under the SARFAESI Act implies the police force, and when the police act pursuant to such directions, they are essentially executing a judicial order and performing a judicial function, and therefore, it is contended that no charges are leviable for carrying out such sovereign/judicial functions unless specifically authorized by law.

4. To substantiate the aforesaid submissions put forth, the learned counsel drew the attention of this Court to the provisions enshrined under Section 46 of the Rajasthan Police Act, 2007, read in consonance with Rule 10 of the Rajasthan Police Rules, 2008 and submits that the said provisions categorically enumerate the services for which the Police Department is authorized to levy prescribed charges. It is next submitted that most importantly the provision of police assistance pursuant to an order under Section 14 of the SARFAESI Act, 2002, finds no mention in the said specified services, thus, the demand for charges beyond the statutorily prescribed parameters is arbitrary and not sustainable in the eyes of law.

5. Learned counsel further submits that the controversy at hand is no longer *res integra* and that the same is squarely covered by a plethora of dicta laid down by the various High Courts throughout the country. Reliance in this regard is placed upon the ratio





raid down by the Allahabad High Court in **Gopal v. Amarjeet Singh, 2019 AHC 3878**; the order dated 30.10.2025 passed by the Co-ordinate Bench of this Court at Jaipur in **S.B. Civil Writ Petition No. 14449/2025** titled **Tyger Home Finance Pvt. Ltd. v. State of Rajasthan & Ors.**; the order passed in **S.B. Civil Writ Petition No. 10189/2015** titled M/s **S. Jhalani & Co. v. The District Collector And District Magistrate, Jaipur & Ors.**; and the interim order dated 10.03.2026 passed by the Co-ordinate Bench of this Court in **S.B. Civil Writ Petition No. 5468/2026**, involving the petitioner itself, titled **AU Small Finance Bank Ltd. v. State of Rajasthan & Ors.**

6. It is next submitted that no appeal has been preferred by the respondent-State against the aforementioned judgments of the Coordinate Benches of this Court. Learned counsel further relied upon the order dated 03.02.2026 passed by the competent authority, A.G.C. Dr. Prakasha Mathur, determining the appropriate charges payable by the Bank.

7. *Per contra*, learned counsel appearing on behalf of the respondents vehemently opposed the submissions advanced by the petitioner and submits that the demand for the realization of charges from the petitioner-Bank for services rendered under Section 14 of the SARFAESI Act is within the four corners of the law. It is contended that the amount sought to be recovered is not a statutory tax or levy, but rather a fee grounded on the principle of *quid pro quo*. It is argued that the petitioner-Bank and similarly situated entities are commercial, profit-making institutions and are not rendering any charitable services to the public, and





consequently, they are legally bound to pay the prescribed fee for the specialized services rendered by the police force, for which the competent authority has issued a relevant circular. It is further submitted that since the demanded amount is a fee and not a tax, the embargo under Article 265 of the Constitution of India has no application, and no separate statutory enactment is required to validate such recovery. It is lastly submitted that as no challenge has been made against the underlying circular, the judgments relied upon by the petitioner remain distinguishable on facts.

8. In rejoinder, learned counsel for the petitioner disputes the aforesaid submissions raised by the respondents. However, to cure any procedural defect and effectively challenge the foundational circular, learned counsel seeks permission to amend the present writ petition by incorporating appropriate pleadings.

9. Having heard the submissions put forth by the learned counsel for the respective parties and considering the consensus of the parties arrived at regarding the amendment, this Court deems it appropriate to grant liberty to the petitioner to amend the present petition.

10. Learned counsel for the petitioner is directed to carry out the necessary amendments in the writ petition.

11. Learned counsel for the petitioner is further directed to supply an advance copy of the amended petition to the learned counsel for the respondents prior to the next date of hearing.

12. Moreover, this Court observes that the present petition involves an issue of high significance and raises substantial questions of law *qua* the interplay between the SARFAESI Act, the





Rajasthan Police Act, and the constitutional principles governing the levy of fees by the State instrumentalities.

13. Therefore, learned counsel for the petitioner is directed to supply a copy of the present writ petition in the office of Mr. Rajendra Prasad, learned Advocate General.

14. List the matter on 22.07.2026 in the supplementary cause list after reflecting the name of the learned junior counsel to the Advocate General as counsel for the respondents in the cause list.

(SAMEER JAIN),J

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