Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 – Constitution of India, Articles 226 or 227 – Interim orders should generally not be passed without hearing the secured creditor as interim orders defeat the very purpose of expeditious recovery of public money.

Held,

Even though, this Court in **United Bank of India v. Satyawati Tondon & Ors**., (2010) 8 SCC 110 held that in cases relating to recovery of the dues of banks, financial institutions and secured creditors, stay granted by the High Court would have serious adverse impact on the financial health of such bodies/institutions, which will ultimately prove detrimental to the economy of the nation. Therefore, the High Court should be extremely careful ……

and circumspect in exercising its discretion to grant stay in such matters. **Hindon Forge Private Limited,** *(2019) 2 SCC 198* has held that the remedy of an aggrieved person by a secured creditor under the Act is by way of an application before the Debts Recovery Tribunal, however, borrowers and other aggrieved persons are invoking the jurisdiction of the High Court under Articles 226 or 227 of the Constitution of India without availing the alternative statutory remedy. The Hon'ble High Courts are well aware of the limitations in exercising their jurisdiction when affective alternative remedies are available, but a word of caution would be still necessary for the High Courts that interim orders should generally not be passed without hearing the secured creditor as interim orders defeat the very purpose of expeditious recovery of public money.

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