



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

CR-1543-2019 (O&M)
Reserved on: 05.09.2025
Pronounced on :06.11.2025

Atam Parkash ...Petitioner

V/s

Allahabad Bank ...Respondent

CORAM : HON'BLE MR. JUSTICE VIKRAM AGGARWAL

Argued by: Mr. Manuj Nagrath, Advocate, for the petitioner.

Mr. Lekh Raj Sharma, Advocate
Mr. Abhishek Sharma, Advocate and
Mr. Ashish Chaudhary, Advocate, for the respondent-bank.

VIKRAM AGGARWAL, J

CM-16984-CII-2025

Prayer in the present application, preferred under Section 151 CPC, is for placing on record the final report dated 20.03.2025 submitted under Section 173 Cr. P.C. as Annexure P-12.

For the reasons mentioned in the application, the same is allowed. Final report dated 20.03.2025 is taken on record as Annexure P-12.

The Registry is directed to place the same at an appropriate place on the case file.

CR-1543-2019

The instant revision petition assails the judgment dated 19.12.2018 (Annexure P-9) passed by the Court of Additional District Judge, Jalandhar, dismissing the appeal against the order dated 19.11.2018 (Annexure P-7) passed by the Court of Civil Judge (Jr. Divn.), Jalandhar, vide which the application filed by the respondent-defendant bank under



CR-1543-2019 (O&M) -2-

Order 7 Rule 11 of the Code of Civil Procedure, 1908 (for short the “CPC”) was allowed and the plaint was rejected.

2. The facts, as emanating from the revision petition, are that a suit (Annexure P-1) was instituted by the petitioner-plaintiff (Atam Parkash), praying for the following relief:-

“It is therefore respectfully prayed that a decree for Declaration to the effect that the letter of guarantee/Guarantee Deed shown to be dated 02.02.2015 alleged to have been executed between plaintiff and defendant in respect of sale deed bearing document No. 9145 dated 28.01.1974 duly registered with the Sub Registrar, Jalandhar of the property bearing No, 780/16 measuring 10 Marla 26 Sq. Ft Approx comprised in Khatauni No. 347, Khasra No, 23489/20294, /911 (1-3) situated in Mohalla Gopal Nagar, Jalandhar owned by the father of the plaintiff is result of fraud, fabrication and forged one and is illegal, false, null and void and not binding upon the rights, title and interest of the plaintiff/father of the plaintiff namely Tarsem Raj (since deceased) in respect of the property mentioned above may kindly be granted in favour of the plaintiff and against the defendants. A decree for the declaration to the effect that the supplemental letter of mortgagor confirming deposit of title deeds through constructive delivery shown to be dated 02.02.2015 in respect of Power of Attorney bearing document No. 2067 dated 27.08.2004 duly registered with the Sub Registrar, Jalandhar and Sale deed bearing Document No. 9145 dated 28.01.1974 duly registered with the Sub Registrar, Jalandhar of property bearing No. 780/16 measuring 10 Marla 26 Sq. Ft Approx comprised in Khatauni No. 347, Khasra No. 23489/20294, /911 (1-3) situated in Mohalla Gopal Nagar, Jalandhar is a result of fraud, fabrication and forged one and is illegal, false, null and void and not binding upon the rights, title and interest of the plaintiff/father of the plaintiff (since deceased) in respect of the property mentioned above may kindly be granted in favour of the plaintiff and against the defendants.

AND

A decree for Permanent injunction restraining the defendant from taking the possession and from alienating the property bearing No. 780/16 measuring 10 Marlas 26 Sq. Ft. Approx comprised in Khatauni No. 347, Khasra No. 23489/20294, /911 (1-3) situated in Mohalla Gopal Nagar, Jalandhar may kindly be granted in favour of the plaintiff and against the defendants.

AND



A decree for Mandatory Injunction directing the defendant to return/handover the sale deed vide document No. 9145 dated 28.01.1974 duly registered with the Sub Registrar, Jalandhar which is in the name of the father namely Tarzem Raj since deceased and Power of Attorney bearing document No. 2067 dated 27.08.2004 of the property bearing No, 780/16 measuring 10 Marla 26 Sq. Ft Approx comprised in Khatauni No. 347, Khasra No, 23489/20294, /911 (1-3) situated in Mohalla Gopal Nagar, Jalandhar which is executed oy Tarsem Raj (since deceased) in favour of the plaintiff to the plaintiff may kindly be granted in favour of the plaintiff and against the defendants.”

2.1. The dispute pertains to property bearing No.780/16 measuring 10 Marla 26 sq. ft. (fully described in the plaint) situated in Mohalla Gopal Nagar, Jalandhar (hereinafter referred to as the “suit property”). It was owned by Tarsem Raj (father of the petitioner-plaintiff Atam Parkash). He had executed a general power of attorney on 27.08.2004 in favour of the petitioner-plaintiff in respect of the suit property.

2.2 The title deed of the suit property had been deposited on 25.06.2011 by the petitioner-plaintiff against the CC Limit of M/s Combined Petrochem, Jalandhar along with the general power of attorney. Notably, the sister’s husband of the petitioner-plaintiff namely Sh. Subhash Trehan had availed credit facility from the Allahabad Bank and against the said credit facility, one of the properties which had been mortgaged was the suit property.

2.3 Tarsem Raj is stated to have expired on 02.02.2015. It is the case of the petitioner-plaintiff that on 25.02.2015, the bank official came to the house of the petitioner-plaintiff and informed him that a new agreement was being effected between the bank and M/s Combined Petrochem and for the said purpose, the signatures of the petitioner-plaintiff were required on some blank stamp papers, stating that subsequently they would be reduced



petitioner-plaintiff came to know that proceedings under Section 14 of the Securitization and Reconstructions of the Financial Assets and Enforcement of Securities Act, 2002 (for short the “SARFAESI Act”) were being instituted and it is at this point of time, he realized that the blank documents had been misused to convert the same into a guarantee deed dated 02.02.2015.

3. The respondent-defendant Bank appeared and filed written statement. Thereafter, an application (Annexure P-2) was filed under Sections 34 and 35 of the SARFAESI Act read with Order 7 Rule 11 CPC read with Sections 9 and 151 thereof for rejection of the plaint. It was averred that one M/s Combined Petrochem through its proprietor Anup Trehan had availed credit facility from the respondent-defendant bank, the details of which were stated in the application. The total outstanding amount was Rs.2,24,18,268.23. Sh. Subhash Trehan, Smt. Kavita Trehan, Sh. Tarsem Raj through his power of attorney i.e. the petitioner-plaintiff (Atam Parkash) stood as guarantors and created equitable mortgage of three properties, out of which one property was the suit property. Apart from this property, two other properties i.e. a residential property measuring 262.50 sq. yds. situated in Urban Estate Phase-1, Jalandhar in the name of Subhash Trehan and property measuring 40 marlas situated at Village Kutlupur, District Jalandhar in the name of Kavita Trehan were also mortgaged. The suit property was mortgaged by the petitioner-plaintiff on the basis of power of attorney dated 27.08.2004 executed by the owner of the property (Tarsem Raj), who was the owner of the same by virtue of sale deed dated 28.01.1974.

3.1 It was averred that while availing the credit facility, the petitioner-plaintiff and other guarantors had executed required loan



documents and deed of guarantee, mortgage letter in favour of the respondent-defendant bank.

3.2 M/s Combined Petrochem failed to abide by the banking norms and the accounts were running irregular. Despite repeated requests, the amount was not cleared as a result of which, the firm was declared as a non-performing asset as on 31.03.2016. The total outstanding amount was Rs.2,47,74,868.23. Proceedings under SARFAESI Act were initiated which also did not utilize any result. It was averred that the suit had been filed only with a view to linger on the recovery of the outstanding amount. It was averred that the documents had been executed by the petitioner-plaintiff in the premises of the respondent-defendant bank and they had not been got signed from him deceitfully.

3.3 It was further averred that in terms of the provisions of Section 34 of the SARFAESI Act, as also in terms of Section 9 CPC, the jurisdiction of the Civil Court was barred. Accordingly, rejection of the plaint was prayed for.

4. The application was opposed by way of a reply (Annexure P-3). Certain preliminary objections were raised. It was averred that without filing written statement, such an application was not maintainable. It was averred that many documents, the details of which were given in the application, were required to be produced. It was also averred that the application for rejection of plaint had been moved with a view to delay the proceedings. It was also averred that proceedings under the SARFAESI Act had been initiated after the filing of the suit with a *mala fide* intention.

4.1 It was averred that the respondent-defendant Bank had forged documents and on the basis of the same, the suit had been filed seeking



executed on 02.02.2015 in respect of sale deed dated 28.01.1974 was required to be placed on record and that the same was the result of a fraud.

4.2 It was averred that it is settled law that the said proceedings cannot be decided in the Debt Recovery Tribunal (for short the “DRT”) as the same cannot be treated to be a Civil Court. It was averred that the DRT has limited jurisdiction and it cannot pass a decree of declaratory relief and cannot decide the plea of fraud which is exclusively under the domain of the Civil Court.

4.3 On merits also, all averment were denied. Dismissal of the application was prayed for.

5. Vide order dated 19.11.2018, the application was allowed by the Court of Civil Judge (Jr. Divn.), Jalandhar and the plaint was rejected. An appeal was preferred against the said decision, which too came to be dismissed vide judgment dated 19.12.2018 passed by the Court of Addl. District Judge, Jalandhar, leading to filing of the present revision petition.

6. Learned counsel for the parties were heard.

7. It was submitted by learned counsel for the petitioner that the impugned judgments/orders are not sustainable. It was submitted that a plea of fraud could be proved only by filing a civil suit. Learned counsel submitted that even an FIR had been registered against the manager of the respondent-defendant bank and in the said FIR, final report under Section 173 Cr.P.C. has been submitted.

7.1 Learned counsel submitted that this alone *prima facie* proves that there were some hanky-panky in the whole process and that the same would have to be proved by leading evidence which is only possible in a civil suit. In support of his contentions, he placed reliance upon judgments



others, (2025) 4 SCC 38, Punjab National Bank vs. R. Lalitha and others (Application No.3549-2022 in C.S. No.97 of 2022, decided on 25.09.2023), Surjeet Singh vs. Nachhattar Singh and others, 2017 (4) Law Herald 3644, Punjab National Bank vs. Ram Kishan, 2014 (30) RCR (Civil) 115, Bank of Baroda vs. Ranjan Chetia and others, 2014(64) RCR (Civil) 634, Udaibir Singh vs. Punjab National Bank and others (CR-4598-2016, decided on 13.12.2017), Punjab National Bank vs. Narinder Chugh and others (CR-7522-2017, decided on 25.01.2018), Union Bank of India and another vs. Om Parkash Khurana (CR-9060-2017, decided on 24.05.2018), Gopal Krishnaji Ketkar vs. Mohamed Haji Latif and others, 1968 AIR (Supreme Court) 1413 and K.S. Raina and another vs. Haryana Financial Corporation and another, 2003(1) RCR (Civil) 129.

7.2 Learned counsel also submitted that despite a specific plea having been raised, the guarantee deed dated 02.02.2015 was not produced, which also shows that the same is a forged and fabricated document.

8. *Per contra*, it was submitted by learned counsel representing the respondent-defendant bank that there is no illegality in the impugned judgments/orders. It was submitted that vague pleas of fraud are being raised with a view to wriggle out of the recovery proceedings initiated under the SARFAESI Act. It was submitted that when such vague pleas are raised, it cannot be said that only the Civil Court would have the jurisdiction to decide the issue. It was submitted that it is well settled that jurisdiction of the Civil Court is barred in terms of the provisions of Section 34 of the SARFAESI Act and that it is the DRT, which is the proper forum for redressal of grievances. It was submitted that the suit had only been filed with a view to scuttle the recovery proceedings. In support of his



Hon'ble Supreme Court of India in *Electrosteel Castings Limited vs. UV Asset Reconstruction Company Limited and others, (2022) 2 SCC 573* and of the judgment of a coordinate Bench of this Court in the case of *Punjab National Bank vs. Surender Singh Bedi and others, 2022(4) RCR (Civil) 346*.

9. I have considered the submissions made by learned counsel for the parties.

10. There are certain admitted facts. One M/s Combined Petrochem had availed credit facilities from the respondent-defendant bank amounting to Rs.2.11 crores. Further, the outstanding amount as on 28.02.2018 was Rs.2,24,18,268.23. It is further an admitted fact that the promoters of M/s Combined Petrochem namely Sh. Subhash Trehan and his wife Smt. Kavita Trehan along with the father of Kavita Trehan namely Sh. Tarsem Raj through his son and general power of attorney holder Atam Parkash had stood as guarantors. For the said purpose, three properties including the suit property had been mortgaged with the respondent-defendant bank. It is also an admitted fact that since M/s Combined Petrochem could not repay the loan amount, its accounts were declared/classified as non-performing assets and as on 31.03.2016, the total outstanding amount in the accounts of the said M/s Combined Petrochem was Rs.24,77,486.23. On account of the same, recovery proceedings under the provisions of the SARFAESI Act were initiated.

11. In the meantime, Sh. Tarsem Raj is stated to have expired on 02.02.2015. It is thereafter that the dispute arose. As per the petitioner-plaintiff, the respondent-defendant bank obtained his signatures on 25.02.2015 on various documents by stating that some new agreement was



and for the said purpose, his signatures were required on some papers and stamp papers and after his signatures had been obtained, the documents would be reduced to writing. It is the case of the petitioner-plaintiff that after obtaining his signatures on blank papers, they converted the said papers into a letter of guarantee/guarantee deed shown to have been executed on 02.02.2015 between the petitioner and the respondent bank in respect of the sale deed dated 28.01.1974 pertaining to the suit property. It is the case of the petitioner-plaintiff that it is only when proceedings under Section 14 of the SARFAESI Act were being initiated, the petitioner-plaintiff came to now that the said documents had been forged by the respondent bank and under the circumstances, the suit was filed.

12. As regards the jurisdiction of the Civil Court in such matters, the Hon'ble Supreme Court of India and various High Courts have been examining the issue for a long time. Reference in this regard can be made to the judgment of the Hon'ble Supreme Court of India in the case of ***Mardia Chemicals Ltd. and another vs. Union of India and another, (2004) 4 SCC 311***, wherein it was held that the jurisdiction of the Civil Court would be barred in view of the provisions of Section 34 of the SARFAESI Act but where an issue of fraud is raised, the Civil Court would continue to have jurisdiction. Reference can further be made to the judgment of the Hon'ble Supreme Court of India in the case of ***Electrosteel Castings Limited*** (supra), ***Jagdish Singh vs. Heera Lal, (2014) 1 SCC 479*** and the recent judgment of the Hon'ble Supreme Court of India in the case of ***Smt. Prabha Jain*** (supra). In the case of ***Smt. Prabha Jain*** (supra), the Hon'ble Supreme Court of India has reiterated that the jurisdiction of the Civil Court would be barred in terms of the provisions of Section 34 of the SARFAESI



scope of the DRT, the Civil Court would have the jurisdiction to deal with the same. In the case of **Smt. Prabha Jain** (supra), the Hon'ble Supreme Court of India upheld the decision of the High Court, wherein it had stated that the Civil Court would have the jurisdiction to deal with the issue raised therein.

13. In the case of **Electrosteel Castings Limited** (supra), the Hon'ble Supreme Court of India had held that wherein allegations of fraud are raised without any particulars and only with a view to get out of the bar of Section 34 of the SARFAESI Act, the same was not permissible and the Civil Court would not have the jurisdiction to deal with the matter. Still further, a coordinate Bench of this Court while dealing with a similar issue in the case of **Punjab National Bank vs. Surender Singh Bedi** (supra), also took a similar view while relying upon the judgment of the Hon'ble Supreme Court of India in the case of **Electrosteel Castings Limited** (supra). The Court held as under:-

*“5. In the peculiar facts of the case, it is evident that the plaintiff (respondent No.1-herein) claims that he was misrepresented by Sh. Neeraj Chaudhary and his father. The allegations levelled against the secured creditors can always be examined by the DRT which is headed by the Judicial Officer of the same level as the level of a District Judge. In a case where there is an express bar to the jurisdiction of Civil Court, the same cannot be permitted to be avoided merely by alleging fraud played by the secured creditors. The attention of the Court has not been drawn to any statutory provision that empowers the Civil Court to exclusively decide the allegation of fraud and not DRT. Recently, the Supreme Court has once again, considered the allegations of fraud played on by the secured creditors in the case **Electrosteel Castings Limited v. UV Asset Reconstruction Com. Ltd. and others**, 2022 (2) SCC 573. The Supreme Court has held that the plaintiff can initiate appropriate proceedings before the DRT that is the appropriate forum and is debarred to invoke the jurisdiction of the Civil Court under Section 34. The plaintiff (respondent No.2 herein) cannot be permitted to be avoid the bar of civil court merely by alleging fraud played by the*



secured creditors on him. The relevant discussion is in para 8, which is extracted as under:

8. Having considered the pleadings and averments in the suit more particularly the use of word 'fraud' even considering the case on behalf of the plaintiff, we find that the allegations of 'fraud' are made without any particulars and only with a view to get out of the bar under Section 34 of the SARFAESI Act and by such a clever drafting the plaintiff intends to bring the suit maintainable despite the bar under Section 34 of the SARFAESI Act, which is not permissible at all and which cannot be approved. Even otherwise it is required to be noted that it is the case on behalf of the plaintiff-appellant herein that in view of the approved resolution plan under IBC and thereafter the original corporate debtor being discharged there shall not be any debt so far as the plaintiff-appellant herein is concerned and therefore the assignment deed can be said to be 'fraudulent'. The aforesaid cannot be accepted. By that itself the assignment deed cannot be said to be 'fraudulent'. In any case, whether there shall be legally enforceable debt so far as the plaintiff-appellant herein is concerned even after the approved resolution plan against the corporate debtor still there shall be the liability of the plaintiff and/or the assignee can be said to be secured creditor and/or whether any amount is due and payable by the plaintiff, are all questions which are required to be dealt with and considered by the DRT in the proceedings initiated under the SARFAESI Act. It is required to be noted that as such in the present case the assignee has already initiated the proceedings under Section 13 which can be challenged by the plaintiff-appellant herein by way of application under Section 17 of the SARFAESI Act before the DRT on whatever the legally available defences which may be available to it. We are of the firm opinion that the suit filed by the plaintiff-appellant herein was absolutely not maintainable in view of the bar contained under Section 34 of the SARFAESI Act. Therefore, as such the courts below have not committed any error in rejecting the plaint/dismissing the suit in view of the bar under Section 34 of the SARFAESI Act."



proceedings had already been initiated against M/s Combined Petrochem by the respondent-defendant bank and the issue is only as regards the documents stated to have been executed on 02.02.2015. No doubt, an FIR was registered as regards the said issue against the officer of the respondent-bank. However, the mere registration of an FIR or the filing of a final report would not mean that the officer was guilty. It has to be borne in mind that recovery proceedings had already been initiated by the respondent-bank against the company and its guarantors. It is quite inexplicable as to how, under such circumstances, the petitioner signed various blank papers on the mere asking of an official of a bank. Where parties were already at loggerheads and recovery proceedings had been initiated, it is virtually impossible for somebody to sign blank papers, that too produced by a bank which had initiated recovery proceedings under the SARFAESI Act. Such pleas of fraud are normally raised by debtors to escape the rigors of the SARFAESI Act. In the considered opinion of this Court, no illegality was committed by both Courts in allowing the application under Order 7 Rule 11 CPC and in rejecting the plaint. Each case would have to be examined on its own facts and none of the judgments by the Hon'ble Supreme Court of India or by this Court or by other High Courts would squarely cover any case. The judgments in which the Hon'ble Supreme Court of India has held that the Civil Court would have the jurisdiction to deal with the issue were normally cases, where the civil suits had been initiated by a third party. Here the civil suit has been instituted by a person who has already, while acting as a general power of attorney holder of his father, had mortgaged the disputed property in favour of the bank and now with a view to escape the rigors of the SARFAESI Act, the suit appears to have been filed.



CR-1543-2019 (O&M) -13-

paragraphs leads this Court to the conclusion that there is no illegality in the impugned judgments/orders passed by both Courts.

16. That being so, the present revision petition is found to be bereft of merit and the same is accordingly dismissed.

Pending application(s), if any, shall also stand disposed of.

(VIKRAM AGGARWAL)
JUDGE

Pronounced on: November 06, 2025
vcgarg

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No