IN THE HIGH COURT OF PUNJAB & HARYANA AT CHANDIGARH

CWP-15912-2023
Date of decision: 11.11.2025

ARVINDER KAUR AND ANR. ....PETITIONERS

Versus

RESERVE BANK OF INDIA AND ORS. ...RESPONDENTS

CORAM: HON'BLE MR. JUSTICE SHEEL NAGU, CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJIV BERRY

Present: - Mr. Vaibhav Sehgal, Advocate for the petitioners.

Mr. Vipin Pal Yadav, Addl. A.G. Punjab.

Mr. Abhinav Punj, Advocate for the respondent No.3.

SHEEL NAGU, C.J. (Oral)

The present petition filed by the daughter-in-law and grandson (minor through her natural guardian-petitioner No.1) of respondent No.4-borrower, assails the recourses taken by respondent No.3-Bank under Section 13 (4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act for brevity).

2. Petitioners, who were not party to the loan transaction, submits that respondent No.4, has allegedly devised a novel method for ousting the petitioners from the secured asset by creating circumstances impelling Bank to invoke SARFAESI proceedings with mala fide intentions, by intentionally defaulting in the repayment of loan with the ulterior motive of dispossessing the petitioners.

3. Learned counsel for the petitioners also submits that an interim order was passed in favour of petitioners on 15.02.2023, vide Annexure P-7, restraining the petitioner No.1's father-in-law (borrower) from dispossessing the petitioners from the secured asset under Section 12 of the Protection of Women from Domestic Violence Act, 2005, which, according to the petitioners, is subsisting till date since the case before the Judicial Magistrate Ist Class, Ludhiana, continues to be pending

4. However, learned counsel for the respondent No.3-Bank submits that petitioners are not parties to the loan transaction and, therefore, cannot be allowed to raise any grievance with regard to the SARFAESI proceedings initiated by respondent No.3-Bank for a justified cause.

5. However, learned counsel for the respondent No.3-Bank also informs that a One Time Settlement (OTS) has been arrived at between the respondent No.3-Bank and the borrower-respondent No.4 which, *inter alia,* provides for repayment of the amount due as per OTS, in the loan account, latest by 28.12.2025.

6. In view of the above and without commenting on the merits of the claim of petitioners, this Court allows respondent No.3-Bank to proceed under the SARFAESI Act by availing all remedies provided under Section 13 (4) of SARFAESI Act, in case, the OTS fails and respondent No.4/borrower fails to comply with any of the conditions of the OTS.

7. In view of the above and without commenting upon the rights and liabilities arising from the interplay between Protection of Women

from Domestic Violence Act and the SARFAESI Act, this Court disposed of the petition with aforesaid liberty to the respondent No.3-Bank.

8. Meanwhile, if the petitioners are able to establish that they are one of the aggrieved person under Section 17 of SARFAESI Act, the said remedy under Section 17 of the SARFAESI Act can always be availed by them.

9. Meanwhile, since there is an interim order, the same shall continue till 15.01.2026.

10. Pending applications also stands disposed of.

(SHEEL NAGU)
CHIEF JUSTICE

11.11.2025
kanika

(SANJIV BERRY)
JUDGE

i) Whether speaking/reasoned? Yes/No

ii) Whether reportable? Yes/No