Civil Court barred under Section 34 from granting injunction against SARFAESI proceedings; Section 35 gives overriding effect

he High Court held that **Civil Courts cannot grant injunctions to restrain actions taken by banks under the SARFAESI Act**.

Key Findings

- The borrower sought an **interim injunction** to prevent the bank from taking possession of a secured asset under SARFAESI proceedings.
- The Court observed that **Section 34 of the SARFAESI Act** expressly bars Civil Courts from entertaining matters that fall within the jurisdiction of the authorities constituted under the Act.
- The second limb of Section 34 specifically prohibits Civil Courts from granting injunctions against actions taken under the SARFAESI framework.
- Further, **Section 35 of the SARFAESI Act** gives the Act an **overriding effect** over inconsistent provisions contained in any other law.

Court's Decision

- The interim relief sought by the appellant was held to be **not maintainable** before the Civil Court.
- Any challenge to SARFAESI measures must be pursued through the remedies provided under the Act, such as before the Debt Recovery Tribunal (DRT).

Significance

- Reinforces the exclusive jurisdiction of DRTs and other forums under SARFAESI.

- Prevents borrowers from delaying recovery proceedings through civil suits.
- Strengthens the effectiveness of secured creditor enforcement mechanisms.

One-Line Summary

The High Court ruled that Civil Courts cannot grant injunctions against SARFAESI proceedings due to the bar under Section 34, and the Act prevails over conflicting laws by virtue of Section 35, making the borrower's request for interim relief untenable.