

CWP No.COM-13 of 2016

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

**CWP No.COM-13 of 2016
Date of decision:27.10.2016**

M/s Lee Bee Foods and others

...Petitioners

Versus

Bank of India

...Respondent

CORAM: Hon'ble Mr. Justice Rakesh Kumar Jain

Present: Ms. Monika Thakur, Advocate,
for the petitioners.

Mr. G.S.Anand, Advocate,
for the respondent.

Rakesh Kumar Jain, J.

This petition is filed against the order dated 01.06.2016 passed by the District Magistrate, Ludhiana, under Section 14 of the the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (hereinafter referred to as the “Act”).

In brief, the petitioners obtained Term Loan and Cash Credit Limit to the tune of ₹3.5 Crores from the respondent-bank by hypothecating its principal and collateral securities. Since the petitioners failed to pay dues of the respondent-bank, therefore, their account was classified as “Non Performing Assets” and a notice under Section 13(2) of the Act dated 05.08.2015 was issued for repayment of the amount of ₹2,08,53,123.82/-. The petitioners filed objections under Section 13(3A) of the Act on 25.09.2015 to the notice dated 05.08.2015, which were replied by the

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respondent-bank on 12.10.2015 and rejected the same. The petitioners were sent a reminder on 08.07.2016 to pay the due amount with interest but they could not pay the same and the respondent-bank started proceedings under Section 14 of the Act.

The petitioners, thus, filed this petition, assailing validity of the order passed by the District Magistrate, Ludhiana, dated 01.06.2016.

Counsel for the petitioners has submitted that the order of the District Magistrate, Ludhiana, is patently illegal as the petitioners had applied for One Time Settlement with the respondent-bank.

On the other hand, counsel appearing on behalf of the respondent-bank/caveator has submitted that not only that the petitioners have not impleaded the necessary party, namely, the District Magistrate, Ludhiana but also the remedy lies elsewhere.

After hearing learned counsel for the parties and examining the available record, I am of the considered opinion that the petitioners have not impleaded the necessary party, namely, the District Magistrate, Ludhiana, whose action has been challenged in the present petition and the remedy lies with the petitioners in terms of Section 17 of the Act, which may be availed by them, if so advised, but insofar as the present petition is concerned, the same is hereby dismissed for the reasons aforesaid.

October 27, 2016
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(Rakesh Kumar Jain)
Judge

Whether speaking / reasoned:	Yes/No
Whether Reportable:	Yes/No