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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **<u>W.P. (C) 3791/2020 and CM APPL. 13593/2020 & CM APPL. 13594/2020</u>**

SWIFT HANDICRAFTS & ORS. ..... Petitioners

Through: Mr Tanmay Mehta, Mr Anuj Jain and Mr Sonu Pandey, Advocates.
Mr Sangeet Yadav, Advocate for petitioner. no.3.

Versus

IDBI BANK LTD. & ANR. ..... Respondents

Through: Mr Sanjay Bajaj, Advocate for IDBI Bank.
Mr Janender Chumbak, Advocate for R-2.

**CORAM:**
**HON'BLE MR. JUSTICE VIBHU BAKHRU**

**<u>O R D E R</u>**

**% 29.06.2020**

**[Hearing held through videoconferencing]**

1. The petitioner has filed the present petition, *inter alia,* impugning the decision of respondent no.1 to freeze withdrawal of funds from the bank account of petitioner no.1 (Bank Account No. 0010655100000082 and 0010651100000790) maintained with it.

2. The petitioner further prays that directions be issued to respondent no.1 bank to permit transactions from the said subject accounts account in the usual course of business.

3. Admittedly, petitioner no.1 is a firm constituted by three partners,

namely, Petitioner nos. 2 and 3 and respondent no.2. It is also conceded that as per the instructions given to the respondent no.1 bank, either of the partners could individually operate the subject bank accounts.

4. Respondent no.2 had written a letter dated 22.05.2020 informing respondent no.1 bank that there are internal disputes between the partners and instructing it to freeze debits (that is, withdrawals) from the subject bank accounts, with immediate effect.

5. Respondent no.1 bank has simply followed the instructions of the partner who was otherwise authorized to operate the accounts. This Court finds no infirmity to the action of respondent no.1 bank as it is clear that it acted on the instructions of one of the persons authorized to operate the subject accounts.

6. Mr Chumbak, learned counsel appearing for respondent no.2 states that there are disputes between the constituent partners of petitioner no.1 firm. And, respondent no.2 has in unequivocal terms indicated the decision to dissolve the said firm. He further points out that as per the partnership deed, the firm is a ‘partnership at will’ and, therefore, can be dissolved by any of the partners.

7. Mr Bajaj, learned counsel appearing for respondent no.1 bank states that the account of petitioner no.1 has been classified as a Non-Performing Asset (NPA) as it owes substantial funds to the said bank. This is disputed by the petitioners. Clearly, if the account of the petitioner no.1 firm has been classified as a NPA, the action of the respondent bank to freeze withdrawals for the subject accounts cannot be faulted.

8. Apart from the above, this Court is also of the view that it would not be apposite to entertain the above disputes in proceedings under Section 226 of the Constitution of India.

9. The petition is, accordingly, dismissed. All pending applications are also disposed of.

**VIBHU BAKHRU, J**

**JUNE 29, 2020**
**RK**