IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No.9842 of 2026
Decided on : 10.08.2026

M/s Hotel Lake Palace and Ors. ...Petitioners

Versus

The Kangra Central Cooperative Bank Ltd. and Ors. ...Respondents.

Coram

Hon'ble Mr. Justice G.S. Sandhawalia, Chief Justice.

Hon'ble Mr. Justice Bipin Chander Negi, Judge.

Whether approved for reporting?[1]

For the petitioner : Mr. Ankush Dass Sood, Sr. Advocate with Mr. Ajay Sipahiya and Mr. Tarun Mehta.

For the respondent(s) : Mr. Anup Rattan, Advocate General with Mr. Sohan Singh Rathore, Advocate.

G.S. Sandhawalia, Chief Justice *(Oral)*

In the present petition, prayer is made not to proceed further in pursuance of the possession notice dated 09.06.2026 (Annexure P-16 Colly) under Rule 8(1) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

[1] *Whether the reporters of the local papers may be allowed to see the Judgment?* Yes

2. Learned Senior Counsel appearing for the petitioner has forcefully contended with reference to the additional documents brought on record by way of C.M.P. No.19950 of 2026 that two distinct sets of properties are being put up for sale by the respondent-Bank through separate e-auction notices dated 27.07.2026 and 29.07.2026. It is submitted that the first auction notice dated 27.07.2026 (Annexure P-23) pertains to Property No. 1, namely Himalaya Snow Village, situated at Manali. While the outstanding liability against the said property stands at ₹36,55,87,119/-, its reserve price has been fixed at ₹75,00,000/-, which according to the petitioner is also gross undervaluation. Similarly, vide auction notice dated 29.07.2026 (Annexure P-27), the second property, namely Hotel Lake Palace in District Mandi, is being auctioned where the outstanding dues are to the tune of ₹18,78,45,326/-, against which the reserve price has been fixed at ₹8,23,00,000/-, which is again alleged to be heavily undervalued

3. It is submitted that in such circumstances, the present petitioner has invoked the jurisdiction of this Court under Article 226 of the Constitution of India. Learned Senior

Counsel for the petitioner has placed reliance upon the observations made by the Apex Court in ***Om Sakthi Sekar Vs. V. Sukumar and Ors.*** decided on 13.03.2026 ***(Civil Appeal No. 3362 of 2026)***, that the supervisory jurisdiction of the Court may be invoked for the purpose of realizing the maximum value of the secured assets, while balancing the interests of the creditor and the borrower to obtain the most remunerative price for the property.

4. Reliance has also been placed upon Order XXI Rule 64 of the Code of Civil Procedure, 1908, to contend that once the value of the property is admittedly more than the recovery amount, the whole portion of the property as such should not be sold. Reliance in this regard has been placed upon the judgment of the Apex Court in ***Balakrishnan Vs. Malaiyandi Konar, (2006) 3 SCC 49*** to that extent.

5. On 19.06.2026, we had passed the following order:-

> "*Counsel(s) submits that there is raw-material lying at the site of "The Himalaya Snow Village", Manali.*
>
> *2. Reference is made to the valuation report on immovable properties pertaining to the property at Manali to submit that there is finished cut stone lying*

on the site worth Rs. 309776000/- and stone for excavation, finished cutting approximately worth Rs.320000000/-.

3. It is submitted that the outstandings as such against "The Himalaya Snow Village" are Rs.36,55,87,119.00/- (Rs. Thirty Six Crore Fifty Five Lakh Eighty Seven Thousand One Hundred Nineteen only) as on 18.10.2022, as per the possession notice for immovable property dated 10.04.2023. It is also submitted that for the other project, i.e., Hotel Lake Palace, the DRT had passed an order on 04.05.2026 (page No.98) directing the outstanding amount to be liquidated in installments from 04.06.2026 to 31.12.2026 amounting to around Rs.20 Crores. It is further submitted that the raw material lying as such on the site would suffice the outstanding, if permitted to be sold under supervision.

4. Issue Notice. Mr. Sohan Singh Rathore, learned counsel appears and waives service of notice on behalf of respondent Nos.1, 2 and 3.

5. It is pointed out that the petitioner had not adhered to the terms of the order dated 04.05.2026 and even the cheque of Rs.2.5 crores for 1st installment has bounced.

> *6. Faced with this situation, counsel for the petitioner submits that, to show bona fides, approximately Rs. 3,00,00,000 (Rupees Three Crore) be first deposited by way of a demand draft or through RTGS before this Court.*
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> *7. The orders passed by the DRT in "The Himalaya Snow Village" for securitization also be placed on record.*
>
> *8. Accordingly, the proceedings are deferred for 22.07.2026. It is made clear that no interim order has been passed."*

6. In pursuance of the said order dated 19.06.2026, order passed by the Debts Recovery Tribunal on 22.04.2026 (Annexure P-20), has also been placed on record, wherein the brief history of the case has also been noticed. Apparently, on an earlier occasion, one CWP bearing No.2514 of 2022 had also been filed by the petitioner and directions were issued to decide the representation of the petitioner and accordingly the order dated 10.06.2022 had been passed, whereby the representation of the petitioner was rejected.

7. We notice from Annexure P-20 that the assurances were given to make the payment, but the payment had not been made and accordingly the ***SA No.313 of 2023, titled***

M/s Hotel Himalaya Snow and Anr. Vs. The Kangra Central Cooperative Bank Limited and Anr., had been dismissed on 22.04.2026.

8. Apparently the proceedings had been initiated way back in the year 2023, when notice under Section 13(4) of the Act had been issued on 10.04.2023 and also an application under Section 14 had been allowed and the possession had been taken on 04.10.2023. Learned Senior Counsel for the petitioner submits that the petitioner is not in a position to comply with the earlier order, to show his bona fides by depositing the amount of Rs.3 crores, against the outstanding dues of Rs.56 crores.

9. It is time and again held by the Apex Court that in commercial matters, the writ court should not be approached directly. At the very outset, reliance can be placed on a judgment of the Apex Court in ***South Indian Bank Ltd. and Ors. Vs. Naveen Mathew Philip and Anr., (2023) 17 SCC 311***, wherein it has been held that once there is an alternative and efficacious remedy as such, the Writ Court in commercial matters would not interfere and rather noticed that High Court

still continue to do so despite of the settled principle of law in ***(2010) 8 SCC 110, titled United Bank of India Vs. Satyawati Tondon*** earlier. The relevant extract of the same reads as under:-

> *"12. In view of the fair stand taken by the learned Senior Counsel appearing for the Appellants, we do not wish to interfere with the impugned orders passed. We may, however, reiterate the settled position of law on the interference of the High Court invoking Article 226 of the Constitution of India in commercial matters, where an effective and efficacious alternative forum has been constituted through a statute. We are also constrained to take judicial notice of the fact that certain High Courts continue to interfere in such matters, leading to a regular supply of cases before this Court. One such High Court is that of Punjab & Haryana.*
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> *18. While doing so, we are conscious of the fact that the powers conferred under Article 226 of the Constitution of India are rather wide but are required to be exercised only in extraordinary circumstances in matters pertaining to proceedings and adjudicatory*

scheme qua a statute, more so in commercial matters involving a lender and a borrower, when the legislature has provided for a specific mechanism for appropriate redressal.

10. The plea of an alternate and efficacious remedy came up for consideration before a Division Bench of this Court in ***CWP No.9260 of 2025, titled M/s Rupin Associates vs. Punjab National Bank and Anr***., decided on 06.08.2026, wherein we took into consideration that when an alternate remedy is available as per the statute, as held by the Apex Court itself, it would not be appropriate for this Court to decide the said issue. In the said case we had relied upon the judgment of the Apex Court in ***Agarwal Tracom Pvt. Ltd. vs. Punjab National Bank and others, (2018) 1 SCC 626,*** wherein it had been held that remedy as such would lie against the measures taken in 13(4) before the Debt Recovery Tribunal. Section 17 talks about any of the measures referred to sub-Section 13(4) taken by the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, which can thus be challenged before the Tribunal.

11. The petitioner thus has an alternate remedy as such before the Tribunal for all the grievances, which are now being highlighted before this Court. The judgment in ***Om Sakthi Sekar's*** case (Supra) would go on to show that the Apex Court was dealing with the order of the High Court, which had further upheld the order of the Debts Recovery Tribunal and Debts Recovery Appellate Tribunal, whereby the properties were found to be sold for a lower value. In such circumstances, the said judgment would be of no help to the Senior Counsel in the facts and circumstances, since that procedure is yet to be adopted.

12. In such circumstances and keeping in view the settled principle, we are of the considered opinion that it is always open to the petitioner to approach the Debts Recovery Tribunal for redressal of his grievances, as and when it feels the cause of action has duly arisen. Needless to say, whatever we observed here, is for the purpose of adjudicating on the said issue of maintainability only. Accordingly, the liberty is granted to the petitioner.

13. In the aforesaid terms, the present petition is disposed of, so also the pending miscellaneous application(s), if any.

(G.S. Sandhawalia)
Chief Justice

(Bipin Chander Negi)
Judge

10th August, 2026
(Gaurav Rawat)