

THE HON'BLE SRI JUSTICE RAMESH RANGANATHAN

AND

THE HON'BLE SRI JUSTICE M.SATYANARAYANA MURTHY

C.C.No. 1218 OF 2014

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JUDGMENT: (*Per Hon'ble Sri Justice Ramesh Ranganathan*)

The order violation of which is alleged in the present contempt case, is the order passed in W.P.No. 1737 of 2014 dated 31-01-2014. By the said order, the respondent bank was restrained from taking coercive steps to recover the amount in terms of the notice dated 25-09-2013. It is not even the petitioner's case that the bank has taken any coercive steps against them. What is alleged, as a violation of this order, is the assignment of debt by the bank, in favour of the asset reconstruction company, under Section 5 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("the Act of 2002" for short). Assignment of debt by the bank to an asset reconstruction company, in accordance with the provisions of Section 5 of the Act of 2002, cannot, by any stretch of imagination, be considered as a coercive act on the part of the bank for recovery of the amount due. The respondents have not violated the order of this Court necessitating action being taken against them under the Contempt of Courts Act, 1971.

The contempt case is closed. Pending miscellaneous petitions, if any, in this contempt case shall stand closed in consequence. No order as to costs.

RAMESH RANGANATHAN, J.

M.SATYANARAYANA MURTHY, J.

Date: 15th April, 2015.

JSK

