GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
STARRED QUESTION No.*168

ANSWERED ON TUESDAY, AUGUST 4, 2026/ 13 SHRAVANA, 1948 (SAKA)

RECOVERIES UNDER THE SARFAESI ACT

*168. SHRI A.A. RAHIM

Will the Minister of FINANCE be pleased to state?

(a) the number of cases initiated and the amount recovered under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) during the last three years, year wise and State wise;

(b) the number of borrowers against whom proceedings were initiated under the Act during the said period, indicating the number belonging to Below Poverty Line, Scheduled Castes, Scheduled Tribes and Other Backward Classes, State wise;

(c) Whether Government has conducted any assessment of the socio-economic impact of SARFAESI proceedings on low-income borrowers, and if so, the details thereof; and

(d) safeguards and relief measures to protect economically weaker borrowers from undue hardship during proceedings under the SARFAESI Act.

ANSWER

THE MINISTER OF FINANCE
(SMT.NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

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STATEMENT FOR RAJYA SABHA STARRED QUESTION NO.168 FOR AUGUST 4, 2026, REGARDING "RECOVERIES UNDER THE SARFAESI ACT" BY SHRI A A RAHIM, HON'BLE MEMBER OF PARLIAMENT

(a) & (b) The number of cases initiated and amount recovered under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) during the last three years, as per Reports on Trends and Progress of Banking, published by Reserve Bank of India (RBI) in respect of Scheduled Commercial Banks are as under:

Financial Year	No. of cases initiated	Amount involved (Rs. in crores)	Amount recovered** (Rs. in crores)
2022-23	1,87,340	1,11,359	30,957
2023-24	2,16,571	1,19,554	30,416
2024-25*	2,15,709	1,03,180	32,466

*Provisional

** Refers to the amount recovered during the year, which could be with reference to the cases initiated during the given year as well as during the earlier years.

[The Report for the year 2025-26 has not been released by RBI.]

Further, it has been informed by RBI that the information regarding the total number of people affected by the implementation of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act in each State and also the information regarding the total number of people belonging to Below Poverty Line, Scheduled Castes, Scheduled Tribes and Other Backward Classes, affected by the Act in each State, is not maintained by RBI.

(c) & (d) The SARFAESI Act provides for recovery of Non-Performing Assets (NPA), above a certain threshold and as such the Act excludes low income borrowers from its purview. The SARFAESI Act provides that proceedings under the Act can be initiated only if the amount due is above Rupees One lakh. It further provides that the provisions of the Act cannot apply to any security interest created in agricultural land, or in case the amount due is less than 20% of the principal amount and interest thereon. This ensures necessary safeguards for economically weaker borrowers.

The SARFAESI Act can be enforced only against those assets which have been mortgaged or given as a security by the borrower. It cannot be enforced against any property of the borrower which has not been given as security for the loan, irrespective of the amount of loan outstanding. Further, the Act prescribes a structured procedure, including mandatory notices, statutory timelines, and opportunities for representation before enforcement measures are initiated. These procedural safeguards ensure that borrowers are given adequate time and a reasonable opportunity to discharge their liabilities, raise objections, or regularize the loan account before the secured creditor proceeds further for recovery. As such, the statutory framework strikes a balance between the secured creditor's right to enforce its security interest and the borrower's right to procedural fairness and equitable enforcement.

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