

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO.1975

TO BE ANSWERED ON Monday, December 19, 2022/ Agrahayana 28 1944 (Saka)

Proceedings under SARFAESI Act

1975. ADV.DEAN KURIAKOSE:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has the details of proceedings initiated under SARFAESI Act, 2002 in the last five years;

(b) if so, the details thereof, State wise;

(c) whether the Government will consider giving immediate interim relief to borrowers who are affected by the proceedings under SARFAESI Act, 2002;

(d) if so, the details thereof;

(e) whether the Government will consider repealing the SARFAESI Act, 2002, considering the amount of distress that it has caused to the borrowers; and

(f) if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance
(Dr. Bhagwat Karad)

a) & (b) Reserve Bank of India has informed that the information regarding the State wise details of proceedings initiated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act is not maintained by RBI. However, as per Report on Trends and Progress of Banking, published by RBI for the year 2016-17, 2017-18, 2018-2019, 2019-20 and 2020-21, the number of cases referred by Scheduled Commercial Banks under SARFAESI Act, for the FY 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 are 1,99,352, 91,330, 2,35,437, 1,05,523 and 57,331 (provisional), respectively.

(c) & (d) The Central Government administers the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) which allows banks and financial institutions to recover their dues exceeding one lakh rupees by proceeding under the provisions of the SARFAESI Act. Under Section 17 of SARFAESI Act, any person (including borrower) aggrieved by any of the measures as referred to in

sub section (4) of Section 13 of the SARFAESI Act, taken by secured creditor may make an application to the Debts Recovery Tribunal having jurisdiction in the matter within forty-five days from the date on which such measures had been taken. It is further mentioned that under Section 18 of the SARFAESI Act, any person aggrieved by any order made by the Debts Recovery Tribunal under section 17, may prefer an appeal to an Appellate Tribunal within thirty days from the date of receipt of the order of Debts Recovery Tribunal.

(e) & (f). There is no such proposal.
