

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

STARRED QUESTION NO. *325

ANSWERED ON MONDAY, MARCH 16, 2026/PHALGUNA 25, 1947 (SAKA)

Asset Valuation, Recovery Framework and Strengthening of DRTs

*325. SHRI PARSHOTTAMBHAI RUPALA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken/proposes to take concrete measures to ensure rigorous and uniform assessment of mortgaged assets by banks and financial institutions, including independent valuation, title due diligence and verification of marketability prior to loan sanction, if so, the details thereof;
- (b) whether the Government is considering an appropriate legislative framework to curb frivolous or dilatory litigation by borrowers that delays recovery of secured assets, while safeguarding legitimate legal rights, if so, the details thereof; and;
- (c) the measures taken/proposed to be taken by the Government to enhance transparency and efficiency in auction processes and to strengthen the administrative functioning, manpower, digital infrastructure and time bound disposal of cases by Debt Recovery Tribunals across the country?

ANSWER

THE MINISTER OF FINANCE
(SMT.NIRMALA SITHARAMAN)

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

STATEMENT FOR LOK SABHA STARRED QUESTION NO.*325 FOR MARCH 16, 2026, REGARDING “ASSET VALUATION, RECOVERY FRAMEWORK AND STRENGTHENING OF DRTs” BY SHRI PARSHOTTAMBHAI RUPALA, HON’BLE MEMBER OF PARLIAMENT

(a) As per information received from Reserve Bank of India (RBI), Master directions have been issued by Reserve Bank of India, to Banks and Financial Institutions, *interalia* directing these regulated entities of RBI to have a Board approved policy in place for valuation of properties including collaterals accepted for their exposures. Their valuation should be done by professionally qualified independent valuers. The Banks and Housing Finance Companies (HFCs) are also required to empanel professionally qualified independent valuers for conducting such valuations. Further they shall obtain a minimum of two independent Valuation Reports in respect of properties valued above certain threshold viz. Rs.50 crore in case of banks and Rs.75 lakh in case of HFCs.

Further, the HFCs have been mandated that wherever documents of the title are submitted as security for loans, there should be a system of verification of their genuineness, especially in large value loans. Wherever a Chartered Accountant Certificate, property valuation Certificate, legal certificate, guarantee/line of credit or any other third -party certification is submitted by the borrower, the HFC shall independently verify the authenticity of such certification by directly communicating with the concerned authority issuing the certificate.

(b) To avoid unnecessary litigation by the borrowers to hinder the recovery process, sufficient provisions have been made under the Recovery of Debts and Bankruptcy Act, 1993 and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. At the time of preferring an appeal before the Debts Recovery Appellate Tribunal (DRAT) , the borrower is required to make pre deposit with the DRAT, initially the DRAT was empowered to waive /reduce the amount of pre deposit for the reasons to be recorded in writing. However, an amendment was made in the year 2016 in the Recovery of Debts and Bankruptcy Act, 1993, wherein threshold limit of amount upto which, the amount can be reduced by DRAT has been fixed as “which shall not be less than twenty five percent” and full waiver has been eliminated. Similarly, any appeal against the order of the Recovery Officer of DRT is maintainable before the DRT, only on deposit of fifty percent of the amount of debt due as determined by the Tribunal. Apart from these provisions of pre-deposit, the DRTs have power to impose costs on the parties adopting tactics to delay the recovery process. In case of disobedience of an order made by the Tribunal under the provisions of the RDB Act, the Tribunals are empowered to attach the properties as well as order for detention of such person in the civil prison for a term not exceeding three months.

(c) To ensure transparency and efficiency in the auction process, Debt Recovery Tribunals across the country have been directed to ensure that all auctions by DRT are conducted only through e- auctions. Furthermore, in order to ensure that listing and auction of properties take place in a seamless manner, a portal namely e-bikray platform was made operational in February, 2019. Subsequently, the portal has been comprehensively revamped to provide a state-of-the-art integrated platform for listing

and auction of properties under the SARFAESI Act, 2002 and the RDB Act, 1993 . This revamped portal namely “BAANKNET” has been launched in January, 2025.

The Government has taken number of steps to improve the efficiency of the Tribunals and quick disposal of pending cases, summarized as under:

- Mandatory e-filing of all type of applications in DRTs and DRATs w.e.f. 1.2.2023, irrespective of the amount involved vide Notification GSR.79 (E);
- Hybrid Hearing system has been enabled in DRTs and DRATs;
- Video Conferencing facilities have been enabled in DRTs and DRATs;
- e-DRT help desk established in all the DRTs and DRATs for ease of the litigants in filing their cases on line;
- Extensive training on e-filing system imparted to the advocates/litigants and other concerned persons;
- e-Sewa Kendras set up in all DRTs and DRATs to assist the litigants in e filing of cases;
- Standard Operating Procedure for function of e-Sewa Kendra issued;
- A digital assistant, has been made available for the assistance of litigants for redressal of their difficulties. It helps in addressing challenges faced by users, particularly regarding the e-filing process and streamlines the e-filing experience, reducing confusion and enhancing user satisfaction on the platform.
- Training of Presiding Officers are being organized at Premier training academy i.e. National Judicial Academy Bhopal.
- Regular training of officers of Debts Recovery Tribunals, who assist PO and Chairperson are being organized at National Law University Delhi, to build their capacity for efficient disposal of cases.
