

SOP ON SARFAESI

NPA: NPA Date is collected from the Finance Team.

13(2) will be issued within 15 days from the date of NPA. Vital and Non-Vital Documents are checked and corrected before the 13(2) Notice is issued

13(2) – Demand Notice

- 13(2) Notice is issued after the account is declared as NPA.
- 13(2) Notice is issued to all parties on all their addresses. Cooling Period of is 60 days.
- Cut off for 60 days will start with 5 days grace from the date of posting of 13(2)
- If 13(2) is undelivered, then Publication of 13(2) Notice is done in the local newspaper, both in English and Vernacular Language.
- 13(2) Notice is Pasted on the conspicuous place of the Borrower's address by the Collection Team. Photographs evidencing pasting of the notice is required.
- 13(2) will be issued within 15 days from the date of NPA. Vital and Non-Vital Documents are checked and corrected before the 13(2) Notice is issued.

Any delay in the timelines, will be approved by Head – Collection with proper justification from Legal.

NPA DATE+ 15 day = 13(2) Notice

13(4) – Possession Notice:

- Possession Notice is issued after dispatch of 13(2), plus grace of 5 days + 60 days.
- 13(4) Possession Letter and Panchanama is circulated to the Collection team Collection Manager/ Legal (if Available) marking CC to NCM and Legal Head.
- **On the Date of Possession:**
- 13(4) will be pasted by the person going for execution of 13(4). This activity will be done by Authorized Officer
- 13(4) Notice (signed and Sealed) pasted on the property with the photographs will be shared with the Legal Team
- 13(4) Notice will be dispatched to all the parties on the next date.
- Intimation Notice of Symbolic Possession will be dispatched to all the parties on the next date.
- Rejection Pachamama be prepared on site and provide to Legal Team. Collection Manager will ensure this activity is done on the date of possession.
- Publication of 13(4) : Publication within 7 days from the date of pasting of 13(4) in both (English and Vernacular)

- Publication and Pasting of 13(4) notice is mandatory. Publication within 7 days mandatory
- 13(8) Redemption Notice is issued 30 days before the Auction Sale Notice is issued to the Customer.
- 30 days period is mandatory for every 13(8) Redemption Notice as per the Supreme Court Rulling Celiar LLP v/s. Bafna Motors.
- Additionally 13(4) notice will also be sent to all the parties via electronic mode – email ids and WhatsApp.
- CAVEAT to be filed in SME Products. In case the ticket size is above 50 Lacs, then CAVEAT will be filed in EEG LAP Products also.

Any delay in the timelines, will be approved by Head – Collection with proper justification from Legal.

13(2) Notice (Delivered) + 5 (grace) + 60 days = 13(4) Due

13(2) Notice (Undelivered) + Date of Publication + 60 days = 13(4) Due

Surrendered Properties and Process for Auction:

If Customer surrender the Immovable Property, then we take physical possession. Inventory and Pachamama, Video Recording, Photographs, Lock and Key with Seal, Security to be deployed (if required), then we shall proceed with

- **Redemption Notice** 13(8) Notice informing the parties that they have time of 30 days to make payment. This is mandatory notice.
- 30 Days' notice is mandatory.
- Valuation of Property should be done by the Collection Team. Time frame is 15 days.
- Valuation Report of 2 Valuer for fixing Reserve Price

Rule on Redemption: Expiry of Redemption Notice: Redemption Notice (from the date of posting) cut off is 30 days + 5 days grace

Rule on Auction:

- **Auction Sale Notice** is issued to the Parties informing them the date and time, reserve price fixed , EMD Amount and other details. This notice will be issued after the cooling off period of 30 days + 5 days grace = 35 days after dispatch date of redemption notice
- In this notice, Borrower/s are informed that the property will be sold on “**AS IS WHERE IS BASIS**” a on the date and time fixed and shared as per **Annexure I.**
- **Auction will be held 63 days after the date of Redemption Notice if it is 1st Auction.**
- Auction Date will be fixed after 30 days + 5 days grace from the date of dispatch of Auction Sale Notice.
- Auction Sale Notice should be Published. Both in English and Vernacular

- Auction Sale Notice will be pasted on the Property immediate on dispatch of Auction Sale Notice
- Auction Date must be only after expiry of 30 days +5 days grace and not earlier
- E-Auction date is fixed 30 days after the **Auction Sale Notice is dispatched to the Borrower.**
- The 2nd E-Auction is fixed after the 1st E-Auction is failed.
- For proceeding with 2nd Auction, re-valuation of property is not required.
- Reserve Price is lowered by 10% or 15% as the case may be
- Revised Reserve Price is approved by the stake holders.
- 2nd E-Auction Notice is issued to the Borrower and Published. Both activities will be done on the same day.
- 2nd E-Auction Date is fixed 15 days from the date of Publication of 2nd E-Auction Notice

Any delay in the process or any deviation in the process shall be approved by Head - Collection

Filing of Section 14

- Sec 14 is filed in the event Company is unable to take physical possession of the Secured Property/ties from the Borrower
- Sec 14 Application is filed through Advocate before DM/CJM
- Sec 14 Application will be filed within 15 days from the date of Publication of 13(4).
- Any delay in filing of Sec 14 within 15 days will be approved by Head – Collection
- As per Sec 14, DM/CMM shall after satisfying himself with the documents and pass suitable orders within a period of 30 days from the date of application. If no order is passed by CMM/DM within the said period of 30 days, for reason beyond his control, he may after recording reasons in writing for the same, pass the order within such period but not exceeding in aggregate 60 days.
- As per SARFAESI Act, 2002, we can expect Sec 14 Order within 2 month.
- In some region, the timelines are not followed and go beyond 60 days. We can file Writ Petition before the concerned High Court and seeks orders for expediting the matter/orders.
- Any delay in seeking Sec 14 relief should be highlighted once the ageing crosses 2 months from the date of filing of Sec 14.
- If there is delay in seeking order beyond 4 months even after filing of Writ Petition, the delay should be justified and approved by Head – Collection

Sec 14 Filed and Allowed by CMM/DM

- Sec 14 is Allowed with certain directions.
- Courts usually appoints Court Receiver to take possession of the Secured Property through police assistance/police protection.

- Enforcement Agency is engaged.
- Remuneration is paid and appointment is fixed with the Court Receiver/ Tehsildar/Concerned Authority specified in the Order
- Warrant of Attachment is issued
- Police Protection Payment is paid
- Date of appointment to take physical possession is fixed
- On the scheduled date, Possession is taken.

Activity on taking physical possession will vary from region to region. Any delay in taking physical possession from 15 days of passing of order, shall be approved by Head – Collection. Justification will be provided by the Collection Team.

Forcible Possession of Property, on effective execution of Sec 14 Orders

Rules of Redemption and Auction will be adopted after taking physical possession. Please refer to the above rules.

SOP ON ARBITRATION

Trigger:

- Above 10,000/- POS in all Products
- Bucket 2 and above Cases

Process:

Sr.No.	Steps of Arbitration	Days	• Remarks
1	Loan Recall Notice	10 days	Loan Recall notice will be issued through Advocate. Cost of LRN will be INR 80/- per address. This cost is not included in the Arbitration Cost
Cooling Period	If the Disbursement Date Before January'24	30 days	
	If the Disbursement Date is post January'24	7 days	
2	Sec 21 Invocation Notice	7 days + 3 days	We will share panel of arbitrators with their name, contact number and brief profile
3	Reference to Arbitrator	7 days + 3 days	

4	Consent from Arbitrator and Disclosure	1 day	
5	Direction to Claimant and Respondent	20 days	
6	Filing of Statement of Claim and Sec 17		Bank Account details will be provided to Arbitrator for passing Interim Award for freezing the Bank Account of Parties concerned.
7	1st Hearing Date	20 days from Direction Letter	
	Sec 17 Interim Award will be passed	on 1st Hearing	
8	2nd Hearing Date	after 15 days	
9	3rd Hearing Date	after 15 days	
10	Final Award	after 15 days from 3rd hearing	

Unilateral Appointment of arbitrator is not permitted as per the Apex Court Judgement on 8.11.2024. Thus, Passing of Award and Filing of subsequent Execution is decided on case to case basis.

Sec 9 Petitions will be filed as per the request on case to case basis.

SOP ON SEC 25 (EMI NACH) AND 138 (EMI PDC) -All Products

Process – Bucket 1

Legal will send request to Banking Team for retrieval of BOUNCE DATA on their respective cycle.

- EEG – 2nd Cycle
- SME – 5th Cycle and 10th Cycle.
- By 12th of the calendar month, Legal Team will have details of all delinquent accounts.
- Legal Team will send 25 PASA Notice in all products once the Bank Memo's are required post their respective cycle. This process will be excluded in cases where the Sec 25 CC is filed/ 138 CC is Filed.

Process – Bucket X – Unpaid till 20th of Calendar Month 20th

- 25 PASA notice will be issued in Cases in Bucket X unpaid by 20th, Filing will be done consequently after expiry to notice period.

The present timeline for Sec 138 & 25 is as follows:

1. Pre-cognizance notice is received after 50 days from the date of filing.
2. Summons is issued after 25 days from the date of issuance of the Pre-cognizance notice.
3. Bailable warrant is issued after 30 days from the date of issuance of the summons.
4. Non bailable warrant is issued after 30 days from the date of issuance of the bailable warrant.

Kindly note that this timeline is due to huge backlog in the filing department of the Court. The large number of filing has caused the delay in receiving the pre-cognizance notice. We believe that this issue shall be resolved soon and we shall be able to receive the pre-cognizance notice earlier.

SOP ON SEC 25 (WAC NACH) AND 138 (WAC PDC) -All Products

Process – Bucket 2

SPDC will be retrieved for Bucket 2 Delinquent account.

SPDC for Borrower/Co-Borrower will be banked and bounced

Place of Filing will be Delhi/Kolkata/Jaipur

The present timeline for Sec 138 & 25 is as follows:

5. Pre-cognizance notice is received after 50 days from the date of filing.
6. Summons is issued after 25 days from the date of issuance of the Pre-cognizance notice.
7. Bailable warrant is issued after 30 days from the date of issuance of the summons.
8. Non bailable warrant is issued after 30 days from the date of issuance of the bailable warrant.

SOP ON SEC 420 -All Products

Trigger : On case to Case Basis on request of Collection Team.

The present timeline for Sec 318 (Section 420) is as follows:

1. Pre-cognizance notice is received after 50 days from the date of filing.
2. Summons is issued after 25 days from the date of issuance of the Pre-cognizance notice.
3. Non bailable warrant is issued after 60 days from the date of issuance of the summons.

Kindly note that this timeline is due to huge backlog in the filing department of the Court. The large number of filing has caused the delay in receiving the pre-cognizance notice. We believe that this issue shall be resolved soon and we shall be able to receive the pre-cognizance notice earlier.