



GOVERNMENT OF KERALA

Abstract

Revenue Department - The Securitization and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002 - Enforcement - realization of collection charges - orders issued.

REVENUE (H) DEPARTMENT

GO(MS)No.39/11/RD

Thiruvananthapuram, Dated:20-01-2011.

Read:- (1) DO.letter No.G1-2587/09 dated 22-7-08 from District Collector, Thrissur.
(2) Letter No.LR.B6-1871/09 dated 9-7-09 from the Commissioner of Land Revenue.

O R D E R

The District Collector, Thrissur in his letter read as 1st paper above has reported that a number of applications under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act has been received to assist them in taking possession of secured assets under the ambit of Section 14 of the Act. The District Magistrate shall invariably act according to the provisions and has to deploy the police and revenue authorities to facilitate taking possession. As the remedy under the Act is much faster and immediate, more and more Banks and institutions are taking recourse to section 14, leading to progressively increasing demand on manpower and resources for enforcement. It has also added additional burden on the already stressed administration, in addition to the potential for litigation. Also unlike under RR Act, no collection charges are being levied under the SARFAESI Act.

The Commissioner of Land Revenue has reported that the Commercial Banks, etc approach the District Collectors under section 14 of the SARFAESI Act and the District Collectors proceed to take action accordingly. Commissioner of Land Revenue has suggested that it is suitable to fix collection charge/service charge when action is taken under this Act. It has been pointed out that no charges are being collected by the



2/2

Revenue Department under this Act. Therefore it is suitable to fix a service charge.

Government have examined the case in detail and are pleased to accord sanction to recover service charge at the rate of 7.5% of the demanded amount for the recoveries initiated under the SARFAESI Act from the agency requisitioning for action U/s 14, since services for the implementation of the Act is being provided by the Revenue Department of the State Government. The amount will be deposited in the head of account 0029-00-800-92 (other receipts) of the Revenue Department.

By Order of the Governor,

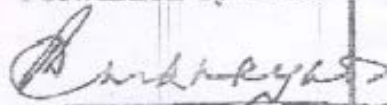
Dr. NIVEDITA P. HARAN

Additional Chief Secretary to Government.

To:-

- 1) The Commissioner of Land Revenue
Thiruvananthapuram.
- 2) All District Collectors.
- 3) The Advocate General, Ernakulam.
- 4) PS to Minister (Revenue)
- 5) The Revenue (S) Department
- 6) Stock file 7) Office Copy

Forwarded by Order


Section Officer