

IMPORTANT ANNOUNCEMENT

Creditors are permitted to undertake rectification of transactions filed on CERSAI registry in case of omission or mis-statement of any particulars (refer section 26A of SARFAESI Act). GOI, on being satisfied, allows carrying out the requested rectification. While such instances should, normally, be far and few, it has been observed that substantial transactions are being submitted by creditors in this category for GOI approval.

The issue has been reviewed by GOI and in order to instill adequate watchfulness amongst secured creditors while initiating rectification of transactions and to make them accountable for any inappropriate use of this option, has suggested following measures:

- (i) The powers to invoke rectification module will be available to officers at fairly high level at the end of Secured Creditors (AGM and above or equivalent position).
- (ii) Secured Creditors will have to provide reasons (in not less than 100 words) for undertaking rectification.
- (iii) Each rectification entry will carry an undertaking as from the officer stipulated at (i) above.
- (iv) Undertaking will cover following points:

UNDERTAKING BY THE AUTHORISED OFFICER OF THE SECURED CREDITOR

I hereby undertake as under:

1. Details sought to be rectified above are true, correct, authentic and nothing material has been concealed / altered therein.
2. That the information being rectified is legal & strictly related to security interest creation.
3. That the interest of any other creditor will not be prejudiced if this rectification is approved by the Central Government. As on date no other charge is found registered on CERSAI portal with regard to the above secured asset.
4. That no suit / legal proceedings / Application, writ petition regarding this rectification is sub-judice before any court of law or any other authority / tribunal exercising quasi-judicial / judicial powers.
5. That the above Rectification is sought only after verifying records of the Bank / FI (Secured Creditor). No material has been concealed and no part of it is false. In case any

inconformity or defect is found resulting from the above sought Rectification, the Secured Creditor shall be liable for any loss caused thereupon. Also, in that case, CERSAI shall be at liberty to treat the Rectification entry as cancelled.

In order to carry out necessary changes in system in line with the directions of GOI, it is proposed as under:

- (a) Each secured creditor entity will identify a separate user (officer of the level of AGM or equivalent) who will be authorised to submit on-line rectification request to GOI on behalf of the creditor.
- (b) Separate template is being developed in the system to incorporate the undertaking and to capture the credentials of the officer submitting the rectification request. The date of availability of new template will be announced shortly.
- (c) Existing rectification entries which are awaiting approval of GOI will be unlocked for resubmission as per new procedure.
- (d) Date of unlocking the existing entries will be **25th March 2022**.

As the new procedure aims to put in place an arrangement of closer examination of rectification entries, secured creditors are urged to diligently apply discretion while submitting rectification entry henceforth.

Accurate feeding of data/information at initial filing stage, is, obviously, of crucial importance and must be reiterated amongst users to avoid/minimize need to undertake rectifications subsequently.