



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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April 21, 2011

All Scheduled Commercial Banks/Financial Institutions
(Excluding RRBs)

Dear Sir,

Setting up of Central Electronic Registry under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002

Pursuant to the announcement made by the Finance Minister in the budget speech for 2011-12, Government of India, Ministry of Finance notified the establishment of the Central Registry. The objective of setting up of Central Registry is to prevent frauds in loan cases involving multiple lending from different banks on the same immovable property. This Registry has become operational on March 31, 2011. The Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), a Government Company licensed under section 25 of the Companies Act 1956 has been incorporated for the purpose of operating and maintaining the Central Registry under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

2. It may be noted that initially transactions relating to securitization and reconstruction of financial assets and those relating to mortgage by deposit of title deeds to secure any loan or advances granted by banks and financial institutions, as defined under the SARFAESI Act, are to be registered in the Central Registry. The records maintained by the Central Registry will be available for search by any lender or any other person desirous of dealing with the property. Availability of such records would prevent frauds involving multiple lending against the security of same property as well as fraudulent sale of property without disclosing the security interest over such property. It may be noted that under the provisions of Section 23 of the SARFAESI Act , particulars of any



charge creating security interest over property is required to be filed with the Registry within 30 days from the date of creation.

3. A copy of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) [Rules](#), 2011 along with a copy of [Notification](#) dated March 31, 2011 issued by the Government in this regard, is enclosed for necessary action at your end.

Yours faithfully,

(P.R.Ravi Mohan)
Chief General Manager
Encl: As above