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## Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002)

### Chapter-V Offences and Penalties

#### Section 30A: Power of adjudicating authority to impose penalty.

<sup>1</sup>[**30A.** (1) Where any asset reconstruction company or any person fails to comply with any direction issued by the Reserve Bank under this Act the adjudicating authority may, by an order, impose on such company or person in default, a penalty not exceeding one crore rupees or twice the amount involved in such failure where such amount is quantifiable, whichever is more, and where such failure is a continuing one, a further penalty which may extend to one lakh rupees for every day, after the first, during which such failure continues.

(2) For the purpose of imposing penalty under sub-section (1), the adjudicating authority shall serve a notice on the asset reconstruction company or the person in default requiring such company or person to show cause why the amount specified in the notice should not be imposed as a penalty and a reasonable opportunity of being heard shall be given to such person.

(3) Any penalty imposed under this section shall be payable within a period of thirty days from the date of issue of notice under sub-section (2).

(4) Where the asset reconstruction company fails to pay the penalty within the specified period under sub-section (3), the adjudicating authority shall, by an order, cancel its registration:

Provided that an opportunity of being heard shall be given to such asset reconstruction company before cancellation of registration.

(5) No complaint shall be filed against any person in default in any court pertaining to any failure under sub-section (1) in respect of which any penalty has been imposed and recovered by the Reserve Bank under this section.

(6) Where any complaint has been filed against a person in default in the court having jurisdiction no proceeding for imposition of penalty against that person shall be taken under this section.

*Explanation.*—For the purposes of this section and [sections 30B](#), [30C](#) and [30D](#),—

(i) “adjudicating authority” means such officer or a committee of officers of the Reserve Bank, designated as such from time to time, by notification, by the Central Board of Reserve Bank;

(ii) “person in default” means the asset reconstruction company or any person which has committed any failure, contravention or default under this Act and any person in-charge of such company or such other person, as the case may be, shall be liable to be proceeded against and punished under [section 33](#) for such failure or contravention or default committed by such company or person.]

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### Reference

1. Inserted by [Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions \(Amendment\) Act, 2016](#), (w.e.f. 18.01.2017 vide N. No. S.O. 176(E) dated 18.01.2017).

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