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**Role of the SARFAESI Act, 2002 in Enhancing Asset Recovery of
Banks in India**

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ABSTRACT

The problem of mounting Non-Performing Assets has affected the profitability and stability of banks in India for several decades. In response, the SARFAESI Act, 2002 was introduced to provide banks with a powerful legal tool for faster recovery of secured assets without lengthy court procedures. This study focuses on the role of the SARFAESI Act, 2002 in enhancing asset recovery of banks in India. It examines the important provisions that allow banks to take possession of secured assets, sell them, and utilise the services of Asset Reconstruction Companies. The research also studies the practical application of these provisions, the support provided by judicial decisions, and the difficulties faced by banks in the recovery process. Further, it evaluates how effectively the Act has helped banks improve recovery rates and reduce the burden of stressed assets. The study aims to highlight the contribution of the SARFAESI framework in strengthening the recovery system of Indian banks and to suggest measures for better utilisation of the Act.

Keywords: *SARFAESI Act 2002; Asset Recovery; Indian Banks.*