



INDIALAW

Debt Recovery and Enforcement of Security

Debt Recovery and Enforcement Law Firm in India for SARFAESI, IBC, and DRT

PRACTICE PROFILE • MAY 2026

Overview

We offer comprehensive legal support to banks, NBFCs, asset reconstruction companies (ARCs), financial institutions and creditors in recovering dues and enforcing security across various legal forums in India. Our practice is built on a deep understanding of India's multifaceted debt recovery framework, including SARFAESI, IBC, DRT, civil recovery, and arbitration execution mechanisms.

With experience across both pre-litigation recovery strategies and complex execution proceedings, we help clients resolve stressed exposures through efficient and legally sound pathways—whether through court action, restructuring, or enforcement.

Our Services

Debt Recovery Mechanisms

- Initiating and defending recovery proceedings before:
 - Debt Recovery Tribunals (DRTs) under the RDDBFI Act
 - Civil courts and commercial courts for unsecured claims
 - Arbitral tribunals and post-award enforcement under Arbitration Act
- Legal notices, demand letters, and acknowledgment of debt
- Negotiating and drafting one-time settlement (OTS) agreements and restructuring proposals

SARFAESI Enforcement

- Enforcement of security interest under the SARFAESI Act, 2002
- Issuing Section 13(2) and 13(4) notices for possession and sale of secured assets
- Representation before DRT in borrower challenges and appeals
- Coordination with District Magistrates/Collectors for physical possession
- Auctions and sale of movable and immovable properties via e-auction portals

IBC & Insolvency Strategy

- Initiating Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code (IBC)
- Representation before NCLT and NCLAT for financial creditors, operational creditors, corporate debtor and promoters
- Filing of claims, participation in committee of creditors (CoC), and preparation of resolution plans
- Advisory on pre-packaged insolvency, cross-border insolvency, and liquidation proceedings

Section 138 – Cheque Bounce Litigation

- Issuance of statutory demand notices under Section 138 of the Negotiable Instruments Act.
- Filing of criminal complaints before Magistrate Courts
- Representation during trial, evidence, and arguments in cheque dishonour cases
- Parallel enforcement strategies: combining Section 138 with civil or IBC action
- Advising on compoundable offences, settlements, and closure of cases

Execution of Decrees & Arbitral Awards

- Execution of money decrees and arbitral awards in civil courts
- Attachment of property, bank accounts, salary, or other assets
- Cross-jurisdictional enforcement of foreign judgments and awards
- Legal assistance in Section 9 and 17 proceedings under Arbitration and Conciliation Act

Asset Tracing & Recovery

- Investigation and identification of hidden or encumbered assets
- Liaising with forensic professionals and asset valuers
- Recovery from personal guarantors and enforcement of guarantees
- Strategic advice on piercing corporate veil and misfeasance proceedings

Cross-Border Debt Recovery

We regularly work with international law firms and litigation funders to pursue or defend debt enforcement matters across jurisdictions and our expertise includes:

- Enforcement of foreign arbitral awards under the New York Convention (Arbitration & Conciliation Act, 1996)
- Execution of foreign court decrees under Section 44A of the Civil Procedure Code
- Asset tracking and recovery against Indian subsidiaries, promoters, and guarantors
- Advisory on treaty-based enforcement, sovereign immunity, and public policy exceptions
- Coordination with offshore counsel for multi-jurisdictional recovery proceedings
- Representation in Indian courts for recognition and enforcement actions

Key Professionals



Durgesh Singh

Partner



G.P. Yash Vardhan

Associate Partner

Frequently Asked Questions

Q1 What does debt recovery and enforcement of security involve in India?

It covers the full cycle of recovering dues owed to lenders and creditors, from issuing legal notices and filing claims before DRTs, NCLT, or civil courts, to enforcing mortgages and charges under SARFAESI, conducting asset auctions, and executing arbitral awards or decrees.

Q2 When should a lender or creditor engage a debt recovery lawyer?

Ideally before an account turns NPA. Early legal intervention helps structure demand notices, preserve limitation periods, and explore OTS or restructuring. Once default hardens, timely action under SARFAESI or IBC is critical, as delays erode asset value and complicate recovery.

Q3 Which Indian statutes govern debt recovery and security enforcement?

The primary frameworks are the SARFAESI Act 2002 for secured creditor enforcement, the RDDBFI Act 1993 for DRT proceedings, the IBC 2016 for insolvency resolution, and Section 138 of the Negotiable Instruments Act for cheque dishonour. RBI directions on NPA classification also shape timelines.

Q4 How long does a typical DRT or SARFAESI recovery proceeding take?

SARFAESI possession notices follow a 60 day statutory timeline, but borrower challenges before DRT can extend matters by 12 to 18 months. DRT original applications for recovery often take 18 to 36 months. IBC CIRP has a statutory cap of 330 days, though delays occur in practice.

Q5 What documents are needed to start a debt recovery engagement?

Key documents include the loan or facility agreement, sanction letter, guarantee and security documents, NPA classification records, account statements, prior correspondence with the borrower, and details of any collateral including title deeds, valuation reports, and charge registration with MCA.

Q6 What common mistakes weaken a creditor's recovery position?

Issuing defective SARFAESI notices, missing limitation deadlines under the Limitation Act, failing to register charges with MCA or CERSAI, and not obtaining proper acknowledgment of debt are frequent errors. Each of these can give borrowers procedural grounds to delay or defeat recovery entirely.