

Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002) – Security Interest (Enforcement) Rules, 2002, Rule 8(5) – Sale of Secured Assets Through Private Treaty, circular 01.11.2017 – Loanee have no prior right of sale of the property in dispute by way of a private treaty – Though it is not so provided in the Act that the respondents shall sell the property in dispute firstly by way of a public auction or e-auction because Rule 8(5) of the Security Interest (Enforcement) Rules, 2002, provides four methods of sale in which the Authorized Officer may choose any one of them but in view of the decision rendered by the apex Court in the case of *Karnataka State Industrial Investment and Development Corporation Ltd. v. M/s Cavalet India Ltd.*, (2005) 4 SCC 456, Authorized Officer is supposed to sell the property firstly, by way of public auction/e-auction to secure maximum participation of the private bidders including the borrower who also has to be given an offer under Rule 8(6) of the Rules to participate so that the maximum price of property to be sold may come out for the purpose of discharging the dues of the Bank.

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