Security Interest (Enforcement) Rules, 2002

Rule 6 - Rule 6 Sale of movable secured assets

(1) the authorised officer may sell the moveable secured assets taken possession under sub-rule (1) of rule 4 in one or more lots by adopting any of the following methods to secure maximum sale price for the assets, to be so sold--(a) obtaining quotations from parties dealing in the secured assets or otherwise interested in buying such assets; or(b) inviting tenders from the public; or(c) holding public auction; or(d) by private treaty.(2) The authorised officer shall serve to the borrower a notice of thirty days for sale of the movable secured assets, under sub-rule (1):Provided that if the sale of such secured assets is being, effected by either inviting lenders from the public or by holding public auction, the secured creditor shall cause a public notice in two leading newspapers, one in vernacular language, having sufficient circulation in that locality by setting out the terms of sale, which may include,--(a) details about the borrower and the secured creditor;(b) description of movable secured assets to be sold with identification marks or numbers, if any, on them;(c) reserve price, if any, and the time and manner of payment;(d) time and place of public auction or the time after which sale by any other mode shall be completed;(e) depositing earnest money as may be stipulated by the secured creditor;(f) any other thing which the authorised officer considers it material for a purchaser to know in order to judge the nature and value of movable secured assets.(3) Sale by any methods other than public auction or public tender, shall be on such terms as may be settled between the parties in writing.