Security Interest (Enforcement) Rules, 2002

Rule 9 - Rule 9 Time of sale, Issue of sale certificate and delivery of possession, etc.

(1) No sale of immovable property under these rules shall take place before the expiry of thirty days from the date on which the public notice of sale is published in newspapers as referred to in the proviso to sub-rule (6) or notice of sale has been served to the borrower.(2) The sale shall be confirmed in favour of the purchaser who has offered the highest sale price in his bid or tender or quatation or offer to the authorised officer and shall be subject to confirmation by the secured creditor:Provided that no sale under this rule shall be confirmed, if the amount offered by sale price is less than the reserve price, specified under sub-rule (5) of rule 9 :Provided further that if the authorised officer fails to obtain a price higher than the reserve price, he may, with the consent of the borrower and the secured creditor effect the safe at such price.(3) On every sale of immovable property, the purchaser shall immediately pay a deposit of twenty five per cent of the amount of the sale price, to the authorised officer conducting the sale and in default of such deposit, the property shall forthwith be sold again.(4) The balance amount of purchase price payable shall be paid by the purchaser to the authorised officer on or before the fifteenth day of confirmation of sale of the immovable property or such extended period as may be agreed upon in writing between the parties.(5) In default of payment within the period mentioned in sub-rule (4), the deposit shall be forfeited and the property shall be resold and the defaulting purchaser shall forfeit all claim to the property or to any part of the sum for which it may be subsequently sold.(6) On confirmation of sale by the secured creditor and if the terms of payment have been complied with, the authorised officer exercising the power of sale shall issue a certificate of sale of the immovable property in favour of the purchaser in the Form given in Appendix V to these rules.(7) Where the immovable property sold is subject to any encumbrances, the authorised officer may, if he thinks fit, allow the purchaser to deposit with him the money required to discharge the encumbrances and any interest due thereon together with such additional amount that may be sufficient to meet the contingencies or further cost, expenses and interest as may be determined by him.1 In the Security Interest (Enforcement) Rules, 2002 in Rule 9,in sub-rule (7), the proviso shall be inserted by the Security Interest(Enforcement)Amendment Rules, 2007. [Noti. No. F. No. 16/7/2003-B.O.I, dt. 26.10.2007-Gaz. of India, Exty., Pt. II-Sec. 3(ii), No. 1317, dt. 26.10.2007, Page 2.]Provided that if after meeting the cost of removing encumbrances and contin gencies there is any surplus available out of the money deposited by the pur chaser such surplus shall be paid to the purchaser within fifteen days from the date of finalisation of the sale.(8) On such deposit of money for discharge of the encumbrances,the authorised officer 2 In the Security Interest (Enforcement) Rules, 2002 in Rule 9,in sub-rule (8) for the word "may" the Word "shall" shall be substituted by the Security Interest (Enforcement) Amendment Rules, 2007. [Noti. No. F. No. 16/7/2003-B.O.I, dt. 26.10.2007-Gaz. of India, Exty., Pt. II-Sec. 3(ii), No. 1317, dt. 26.10.2007, Page 2.]Shall issue or cause the purchaser to issue notices to the persons interested in or entitled to the money deposited with him and take steps to make,the payment accordingly.(9) The authorised officer shall deliver the property to the purchaser free from encumbrances known to the secured creditor on deposit of money as specified in sub-rule (7) above.(10) The certificate of sale issued under sub-rule (6) shall specifically mention that whether the purchaser has purchased the immovable secured asset free from any encumbrances known to the secured creditor or not.