

Modified Provision

Chapter-IX- SARFAESI ACT 2002

9.1 SALE OF SECURED ASSETS, WITH SYMBOLIC POSSESSION:

Banks generally conduct e-auction of properties in symbolic possession with the motive to impress upon the borrower for account regularization, bringing the borrower to negotiating table and price discovery under OTS/ARC Sale.

Keeping in view of the merits and demerits of placing the property under E-auction with symbolic possession, Branches are permitted to place the properties for auction in symbolic possession by following the guidelines mentioned below:

1. Properties to be put up for auction on symbolic possession **on a case-to-case basis**.
2. Auction notice should contain that the property is under symbolic possession and Bank will hand over possession of the property symbolically only to auction purchaser.
3. While placing for an auction with symbolic possession the following points should be made part of terms and conditions:
 - a) Property is in Symbolic Possession and Bidder is purchasing the property in symbolic possession at his own risk and responsibility.
 - b) The bank will hand over the possession of property symbolically only and the Successful Auction bidder/purchaser will not claim physical possession from the Bank.
 - c) Bank will not be responsible, or duty bound for handing over physical possession.
 - d) Successful Auction Purchaser will not be entitled to claim any interest, in case, return of money at a later date.
 - e) Successful Auction Purchaser must submit the Declaration Cum Undertaking confirming the above terms & conditions immediately after e-Auction.
 - f) Subsequent to sale, if successful bidder fails to submit Declaration Cum Undertaking, the bid EMD amount will be forfeited.
4. After obtaining the undertaking only, the authorised officer shall confirm the auction sale.

