

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO. 3025
ANSWERED ON Monday, March, 20, 2023/Phalgun 29, 1944 (Saka)

Re-sealing of Auctioned Property by Banks

3025. SHRI GOPAL CHINNAYA SHETTY

Will the Minister of FINANCE be pleased to state:

- (a) whether there is any provision to re-seal any property auctioned already by nationalized banks;
- (b) if so, the details thereof;
- (c) whether there have been cases of re-sealing of properties already auctioned by nationalized banks, especially by Union Bank of India and Bank of India in Mumbai Metropolitan city; and
- (d) if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance
(Dr. Bhagwat Karad)

(a) and (b) A property can be attached in accordance with the provisions of Securitisation and Reconstruction of Financial Assts and Enforcement of Security Interest (SARFAESI) Act, 2002 and the Recovery of Debts and Bankruptcy (RDB) Act, 1993. There is no mention of the term re-sealing of property in either of the two aforesaid Acts.

(c) and (d) A dispute between the Union Bank of India and the Bank of India regarding who has a prior right over the secured asset has come to the notice of the Central Government. Debts Recovery Appellate Tribunal (DRAT) Mumbai in Appeal Number 42 of 2019 has passed an order dated 5th July, 2022 directing the Recovery Officer, Debts Recovery Tribunal (DRT) II, Mumbai to dispose of the matter after hearing Bank of India and Union Bank of India. Thereafter, the Recovery Officer DRT II Mumbai in RC proceeding No.63 of 2017, vide Order dated 17.8.2022 has directed Bank of India and Union Bank of India to submit the mortgage related documents available with them including orders of DRT, if any, so as to enable them to prove their claim over the sale proceeds, so that the decision may be taken after hearing who is entitled for sale proceeds. Further, vide Order dated 22.9.2022 the Recovery Officer DRT II Mumbai has directed Union Bank of India to deposit the sale proceeds in the Tribunal.
