

**Bill No. 233 of 2022**

THE SECURITISATION AND RECONSTRUCTION  
OF FINANCIAL ASSETS AND ENFORCEMENT OF  
SECURITY INTEREST (AMENDMENT) BILL, 2022

By

SHRI KODIKUNNIL SURESH, M.P.

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BILL

*further to amend the Securitization and Reconstruction of Financial Assets and  
Enforcement of Security Interest Act, 2002.*

BE it enacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (Amendment) Act 2022.

Short title and  
commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of  
clause 31.

2. In section 31 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, after clause (j), the following clauses shall be inserted, namely:—

“(k) principal debtors who was unemployed for the last three months;

(l) families that have lost their primary bread earner due to COVID or other disease; 5

(m) debtors who have an amount due of less than thirty per cent of the principal amount and interest thereon.”.

## STATEMENT OF OBJECTS AND REASONS

The repeated instances of provision of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, which has been excessively used to attach properties of defaulter, often through unfair procedures leading to helpless debtors or even their children committing suicide due to harassment and humiliation ingrained in the execution of archaic practices. The harsh provisions warrants legislative intervention by amending provisions that are rendering the act inhuman.

The need for factoring unemployment due to matter beyond ones control such as Covid and recession - led termination of employment causing defaulting of repayment of loan from a humane perspective is required so that the right to live and right to dignity and other provisions enshrining the rights of citizens are upheld and are not seen from the prism of shylockian perspective.

Hence this Bill.

NEW DELHI;  
*November 22, 2022.*

KODIKUNNIL SURESH

ANNEXURE

EXTRACTS FROM THE SECURITIZATION AND RECONSTRUCTION OF FINANCIAL  
ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002

(54 OF 2002)

Provisions of  
this Act not to  
apply in certain  
cases.

- \* \* \* \*
- 31.** The provisions of this Act shall not apply to—
- (a) \* \* \* \*
  - (b) \* \* \* \*
  - (c) \* \* \* \*
  - (d) \* \* \* \*
  - (e) \* \* \* \*
  - (f) \* \* \* \*
  - (g) \* \* \* \*
  - (h) \* \* \* \*
- (i) any security interest created in agricultural land;
- (j) any case in which the amount due is less than twenty per cent. of the principal amount and interest thereon.
- \* \* \* \*

LOK SABHA

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further to amend the Securitization and Reconstruction of Financial Assets and  
Enforcement of Security Interest Act, 2002.

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*(Shri Kodikunnil Suresh, M.P.)*