

**Bill No. XVIII of 2023**

THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL  
ASSETS AND ENFORCEMENT OF SECURITY INTEREST  
(AMENDMENT) BILL, 2023

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BILL

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

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

**1.** (1) This Act may be called the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Amendment) Act, 2023. 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.

54 of 2022. **2.** In the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (hereinafter referred to as the principal Act), in section 2, in clause (c) of sub-section (1), the following words shall be omitted, namely:— Amendment of Section 2.

10 "(iva) a multi-State co-operative bank; or".

Insertion of  
new sections  
31B and 31C.

**3.** In the principal Act, after section 31A, the following new sections shall be inserted, namely,—

Exclusion of  
co-operative  
banks or any  
other financial  
institution  
established  
under any  
State Act from  
operation of  
the Act.

**"31B.** Notwithstanding anything contained in this Act, co-operative banks or any other financial institutions established under any State Act, shall be excluded from the operation of this Act.

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Exemption of  
certain debts.

**31C.** Notwithstanding anything contained in this Act, the provisions of this Act shall not apply,—

(i) in the event of default by a borrower who has taken financial assistance for an amount not exceeding ten lakh rupees; or

(ii) in the event of default by a borrower, when his debt security is the only dwelling unit or house in the ownership of the borrower and his family, in India or elsewhere,".

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## STATEMENT OF OBJECTS AND REASONS

All States in the country are affected by debt related suicides of farmers and other members of society. The approach in debt recovery as per the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 is more stringent and common people are left with no choice other than forced internal displacement and homelessness. The agriculture sector is also affected when the farmers are forcefully evicted due to this practice. The basic objectives of housing schemes are also thwarted because of the present provisions of the Act.

2. This Bill seeks to address the above social issue at hand by providing a balancing relief to the small debtors and farmers. It also intends to exclude the co-operative banks and other financial institutions established under a State enactment, so that the States can redress the issue by working out different solutions including the rehabilitation of debtor in the case of bona fide default through a housing scheme or otherwise.

3. The Bill seeks to achieve the above objectives.

A.A. RAHIM

ANNEXURE

EXTRACTS FROM THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND  
ENFORCEMENT OF SECURITY INTEREST

ACT, 2002

(ACT No. 54 OF 2002)

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Definitions.	2. (1) *	*	*	*	*
	(c) "bank" means—				
	(i) a banking company; or				
	(ii) a corresponding new bank; or				
	(iii) the State Bank of India; or				
	(iv) a subsidiary bank; or				
	(iva) a multi-State co-operative bank; or				
	(v) such other bank which the Central Government may, by notification, specify for the purposes of this Act;				
	*	*	*	*	*
Power to exempt a class or classes of banks or financial institutions.	31A. (1) The Central Government may, by notification in the public interest, direct that any of the provisions of this Act,—				
	(a) shall not apply to such class or classes of banks or financial institutions; or				
	(b) shall apply to the class or classes of banks or financial institutions with such exceptions, modifications and adaptations, as may be specified in the notification.				
	(2) A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days, and if both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.				
	(3) In reckoning any such period of thirty days as is referred to in sub-section (2), no account shall be taken of any period during which the House referred to in sub-section (2) is prorogued or adjourned for more than four consecutive days.				
	(4) The copies of every notification issued under this section shall, as soon as may be after it has been issued, be laid before each House of Parliament.				
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RAJYA SABHA

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BILL

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

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*(Shri A.A. Rahim, M.P.)*