

Annexure -VI



Indian Banks' Association

No.SB/SLBC/AGRI/ 479

June 8, 2016.

To

All Members of the SLBC

Dear Sir / Madam,

**Simplification of procedures of creation of charge / mortgage of land –
Issue to be discussed at the State Level Bankers' Committee Meeting**

Based on the Talwar Committee Recommendations, State Government of Karnataka has passed necessary enactments (Agricultural Credit Operations & Miscellaneous Provisions Act) under which there is provision for creation of charge on landed properties as security for agricultural loans by way of submission of simple declaration by the farmers. Under these provisions, no registration charges are to be paid for creation of charge which otherwise is required to be paid for normal mortgage. If charge is created under the said provisions, recovery also can be pursued through the Revenue Department under Revenue Recovery Act, without approaching the Civil Court.

In Karnataka, such creation process has also been made online by the Government by giving access to Bank branches to note the charge against landed properties offered as security by the farmers, in the Web Portal, through "Bhoomi" software. While the Bank branches can make a note of the charge, authorisation is done by the revenue authorities online.

The above issue was discussed in the IBA Standing Committee on Agriculture and Allied Activities held on 27th April, 2016. The Committee deliberated on the issue and it was decided SLBCs may take up the issue with respective State Governments to provide such facilities

We, therefore, request you to kindly take up the above issue at the SLBC meetings so that respective State Governments consider this suggestion of the Standing Committee and take necessary steps in the matter.

Thanking you,

Yours faithfully,

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