

# KARNATAKA STATE FINANCIAL CORPORATION

ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ



Established under the State Financial Corporations Act, 1951  
1951ರ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆಗಳ ಕಾಯಿದೆಯನ್ವಯ ಸ್ಥಾಪಿತ



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ಸಂಖ್ಯೆ: ಕ.ರಾ.ಹ.ಸಂ/ಕಾನಿ.ನಿ.-2/2014-15/ C -3989

ದಿನಾಂಕ:12/12/2014

## CIRCULAR NO. 989

**Sub: Acceptance of certified copies of vendor's title deeds.**

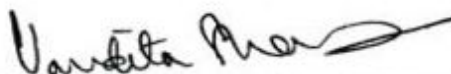
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A note was placed before the Executive Committee in connection with the procedure to be followed for acceptance of certified copies of vendor's title deeds in cases where the originals are not available. The matter was deliberated in the Executive Committee. The following procedure should be followed in respect of such cases. The Committee also deliberated and approved the proposal as detailed below:-

- I. Cases where the primary title documents (present owner's title deed) are not available, such properties shall not be accepted as security.
- II. In respect of cases where the title deeds relating to the vendors / predecessors-in-title are not available, the documents may be accepted based on certified copies of the title deeds. In respect of these cases, the following procedure should be followed.
  - a) The Branch Manager shall be responsible for taking decision whether to accept the certified copies of the vendors / predecessors-in-title deeds or otherwise considering the background of the promoter. The Branch Manager should carry-out due diligence through field / local enquiries. If he is of the opinion that it can be a fit case to accept the certified copies of the vendor documents, he should obtain the opinion of the legal counsel highlighting the significance of the documents, nature of risk if any, on account of non availability of original documents etc., and forward to General Manager for approval.

- b) After obtaining the approval of the General Manager, the following procedure shall be adopted:-
- i. Issue of paper publication (at the borrower's cost) inviting objections from interested parties, if any;
  - ii. Obtain an Affidavit from the concerned Borrower / collateral security / property owner affirming that the said title deed is lost / misplaced and cannot be found. Further, it should also be affirmed by them that the title deed is not deposited with any Bank / Financial Institution / person with a view to create charge over the property and that the property is free from encumbrance;
  - iii. Police complaint should be lodged with the jurisdictional police station for loss of title deed;
  - iv. Simple Mortgage must be invariably obtained in all such cases;
  - v. No relaxation whatsoever should be made in the first investment clause in such cases;
  - vi. A search need to be carried out to verify that no charge is created against the property with CERSAI;
  - vii. Obtain upto date encumbrance certificate in Form -15 to ensure that the property is free from any encumbrance.

This should be brought to the notice of all the concerned.



**CHAIRPERSON & MANAGING DIRECTOR**

To:

All the Branch Managers  
All AGMs/ DGMs of Branches  
All IACs  
All Department Heads @ HO  
All GMs  
EDs.