

L. A. BILL No. CII OF 2025.

A BILL

further to amend the Maharashtra Land Revenue Code, 1966.

(As passed by the Legislative Assembly on the 12th December, 2025.)

Mah. 5 **WHEREAS** it is expedient further to amend the Maharashtra Land
XLI of Revenue Code, 1966, for the purposes hereinafter appearing; it is hereby enacted
1966. in the Seventy-sixth Year of the Republic of India as follows:-

1. This Act may be called the Maharashtra Land Revenue Code (Second Amendment and Validation) Act, 2025. Short title.

Mah. 10 2. In section 36 of the Maharashtra Land Revenue Code, 1966 (hereinafter
XLI of referred to as “the said Code”), in sub- section (4),- Amendment
1966. of section 36
of Mah. XLI of
1966.

(i) for the words “or the Maharashtra State Financial Corporation” the following words, brackets, letter and figures “or a corresponding new Bank

within the meaning of clause (b) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 or the Maharashtra State Financial Corporation”, shall be substituted; 40 of 1980.

(ii) before the *Explanation* the following proviso shall be inserted, and shall be deemed to have been inserted with effect from the 27th February 2009, 5 namely:-

“Provided that, the Occupant Class II shall pay to the Government the mortgage fees, at such rate as may be specified by the Government by general or special order, for mortgaging his property, for any purpose other than agriculture, in favour of a co-operative society, the State Bank of India, the 10 corresponding new Bank or the Maharashtra State Financial Corporation.”.

Validation.

3. Notwithstanding anything contained in the said Code or in any rules made thereunder or in any judgment, decree or order of any court, tribunal, or any other authority, any levy, demand and collection of mortgage fees by the Government or any revenue officer, during the period commencing on the 15 27th February 2009 and ending on the date of commencement of the Maharashtra Land Revenue Code (Second Amendment and Validation) Act, 2025, from occupant class II for mortgaging his property, for any purpose other than agriculture, in favour of a co-operative society or the State Bank of India or a corresponding new bank or the Maharashtra State Financial Corporation, in consideration 20 of a loan advanced to him by such co-operative society, State Bank of India, corresponding new bank, or as the case may be, the Maharashtra State Financial Corporation, shall be deemed to have been validly levied, demanded, collected or taken and shall be deemed always to have been validly levied, demanded, collected or taken under the said Code, as amended by the Maharashtra Land 25 Revenue Code (Second Amendment and Validation) Act, 2025; and accordingly,- Mah. --- of 2025.

(i) no suit, prosecution or other legal proceedings shall lie in any court or before any tribunal or other authority on the ground that, the provisions of the said Code prior to such commencement did not provide for levy, demand and collection of such mortgage 30 fees or action by the Government or revenue officer therefor; and

(ii) no suit, prosecution or other legal proceedings shall lie or be maintained or continued in any court or before any tribunal or other authority, for the refund of any such mortgage fees so levied, demanded, collected or for any action taken with effect from the 35 27th February 2009.

STATEMENT OF OBJECTS AND REASONS

Section 36(4) of the Maharashtra Land Revenue Code, 1966 (Mah. XLI of 1966) provides that it shall be lawful for an Occupant Class II to mortgage his property in favour of the State Government, co-operative society, Banks or Maharashtra State Financial Corporation in consideration of a loan advanced to him.

2. The Government has issued a Government Resolution dated the 27th February 2009 to levy mortgage fees specified therein if Occupancy Class- II or lease hold lands are mortgaged by occupant class II to financial institutions for any purpose other than agriculture in consideration of a loan advanced to him.

3. The Bombay High Court, Nagpur Bench in Writ Petition No. 4086 of 2011, *vide* order dated 29.08.2022, held that clause (B) of the Government Resolution dated 27.02.2009 seeking to levy mortgage fees is held to be without any authority of law and quashed the same. Therefore, the Government considers it necessary to provide for levy of mortgage fees in the said Code itself.

4. The Government, therefore, considers it expedient to suitably amend section 36 of the said Code, with a view to provide that the Occupant Class II shall pay to the Government the mortgage fees, at such rate as may be specified by the Government by general or special order, for mortgaging his property, for any purpose other than agriculture, in favour of a co-operative society, the State Bank of India, the corresponding new Bank or the Maharashtra State Financial Corporation with retrospective effect from the 27th February 2009. It is also proposed to provide for validation of levy, demand and collection of mortgage fees by the Government since the 27th February 2009.

5. The Bill seeks to achieve the above objectives.

Nagpur,

CHANDRASHEKHAR BAWANKULE,

Dated the 9th December, 2025.

Minister for Revenue.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposal for delegation of legislative power, namely :—

Clause 2.—Under this clause, in sub-*clause (ii)*, power is taken to the State Government to specify by general or special order the rate of mortgage fees for mortgaging property of occupant class II.

2. The above-mentioned proposal for delegation of legislative power is of a normal character.

FINANCIAL MEMORANDUM

Clause 2 of the Bill provides for amendment of section 36 of the Maharashtra Land Revenue Code, 1966 (Mah. XLI of 1966) to levy the mortgage fees by the Government for mortgaging by the occupant class II his property for any purpose other than agriculture, in favour of a Co-operative Society or State Bank of India or the corresponding new Bank or the Maharashtra State Financial Corporation. There is no provision in the Bill which would involve the recurring or non-recurring expenditure from the Consolidated Fund of the State on its enactment as an Act of the State Legislature.

GOVERNOR'S RECOMMENDATION UNDER ARTICLE 207 OF THE
CONSTITUTION OF INDIA

(Copy of Government of Maharashtra Order, Law and Judiciary Department)

In exercise of the power conferred upon him by clause (1) of Article 207 of the Constitution of India, the Governor of the Maharashtra is pleased to recommend to the Maharashtra Legislative Assembly, the introduction of the Maharashtra Land Revenue Code (Second Amendment and Validation) Bill, 2025.

ANNEXURE TO THE L.A. BILL NO. CII OF 2025-
THE MAHARASHTRA LAND REVENUE CODE (SECOND AMENDMENT
AND VALIDATION) BILL, 2025.

(Extracts from the Maharashtra Land Revenue Code, 1966)

(Mah. XLI of 1966)

(Copy of Government of Maharashtra Order, Law and Judiciary Department)

1 to 35.

* * * *

36. (1) An occupancy shall, subject to the provisions contained in section 72 and to any conditions lawfully annexed to the tenure, and save as otherwise provided by law, be deemed an heritable and transferable property.

Occupancy to be transferable and heritable subject to certain restrictions.

(2) and (3) * * * *

(3A) to (3D) * * * *

(4) Notwithstanding anything contained in sub-section (1) or in any other provisions of this Code, or in any law for the time being in force it shall be lawful for an Occupant—Class II—to mortgage his property in favour of the State Government in consideration of a loan advanced to him by the State Government under the Land Improvement Loan Act, 1883, the Agriculturists Loans Act, 1884 (XII of 1884), on the Bombay Non-Agriculturist Loan Act, 1928, or in favour of a co-operative society 38[or the State Bank of India constituted under section 3 of the State Bank of India Act, 1955, or a corresponding new bank within the meaning of clause (d) of section 2 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, or the Maharashtra State Financial Corporation established under the relevant law in consideration of a loan advanced to him by such co-operative society, State Bank of India, corresponding new bank, or as the case may be, Maharashtra State Financial Corporation], and without prejudice to any other remedy open to the State Government, the co-operative society, the State Bank of India, the corresponding new bank, or as the case may be, the Maharashtra State Financial Corporation in the event of such occupant making default in payment of such loan in accordance with returns on which such Loan is granted, it shall be lawful for the State Government, the co-operative society, the State Bank of India, the corresponding new bank or as the case may be, the Maharashtra State Financial Corporation to cause the occupancy to be attached and sold and the proceeds to be applied towards the payment of such loan.

The Collector may, on the application of the co-operative society, the State Bank of India, the corresponding new Bank or the Maharashtra State Financial Corporation, and payment of the premium prescribed by the State Government in this behalf, by order in writing re-classify the occupant as Occupant—Class I; and on such re-classification, the occupant shall hold the occupancy of the land without any restriction on transfer under this Code.

Explanation.—For the purpose of this section, “Schedule Tribes” means such tribes or tribal communities or parts of, or groups within, such tribes or tribal communities as are deemed to be Scheduled Tribes in relation to the state of Maharashtra under Article 342 of the Constitution of India and persons, who belong to the tribes or Tribal communities, or parts of, or groups within tribes or tribal communities, specified in part VIIA of the Schedule to the Order made under the said article 342, but who are not resident in the localities specified

in that Order who nevertheless need the protection of this section and section 36A (and it is hereby declare that they do need such protection) shall, for the purposes of those section be treated in the same manner as members of the Scheduled Tribes.

36A. To 36C.	*	*	*	*
37. to 337	*	*	*	*
SCHEDULES.	*	*	*	*

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L. A. BILL No. CII OF 2025.]

**[A Bill further to amend the
Maharashtra Land Revenue Code, 1966.]**

**[SHRI CHANDRASHEKHAR BAWANKULE,
Minister for Revenue.]**

**[As passed by the Legislative Assembly on
the 12th December, 2025.]**

**JITENDRA BHOLE,
Secretary-1,
Maharashtra Legislative Assembly.**

GOVERNMENT PRESS, NAGPUR