

Process of Release of immovable property documents on repayment/ settlement of loans/Death or Demise of the Borrower

RESPONSIBLE LENDING CONDUCT – RELEASE OF IMMOVABLE PROPERTY DOCUMENTS ON REPAYMENT/ SETTLEMENT OF LOANS/ DEATH OR DEMISE OF THE BORROWER

Rationale:

Aryadhan Financial Solutions Private Ltd (hereinafter referred to as “the Company” or “Aryadhan” or “Regulated Entity/ RE”) is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 and is registered as a Non-Banking Financial Company with the Reserve Bank of India (“RBI”).

The Reserve Bank of India (RBI) has issued a significant directive (RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24) & (RBI/ DoR / 2023-24 / 106 DoR.FIN.REC.No.45 / 03.10.119 / 2023-24) addressing responsible lending conduct among financial institutions including NBFCs/HFCs. This directive pertains to the release of immovable/movable property documents upon the full repayment or settlement of Personal Loans/Business Loans. The Company through this policy aims to streamline its practices as per the said RBI guidelines and prevent customer grievances related to the release of such documents.

1. Release of Property Documents: According to the RBI’s guidelines, ARYADHAN is mandated to release all original immovable property documents and to extend its assistance for removal of charges registered with registry within 30 days after the complete repayment or settlement (the date of realisation of funds in ARYADHAN’s Bank statement will be considered as complete repayment /settlement date) of the loan account. This provision ensures that borrowers regain ownership of their assets promptly. Along with the release of original immovable property documents as aforesaid, ARYADHAN shall issue No-Objection Certificate (NOC) to the borrower(s) declaring that he/she has no outstanding dues towards the ARYADHAN. Borrower(s) are advised to observe the original property documents release process enclosed in Annexure 1.

2. Borrower’s Choice: Borrowers will have the flexibility to collect their original property documents either from the Head office of Aryadhan or such other office as may be designated by Aryadhan from time to time. This added convenience enhances the borrower’s experience.

3. Transparency in Loan Sanction Letters: ARYADHAN will specify the timeline and location for returning original property documents in loan sanction letters issued on or after the effective date. This clarity ensures that borrowers are aware of the process.

4. Legal Heir’s Rights

Scenario	Action
Joint Ownership of Property and demise of either co-owner	<p>Documents will be released to the co-owner/Legal Heir subject to following compliance:</p> <ol style="list-style-type: none"> 1) Photocopy of Death Certificate of deceased owner/co-sharer. 2) Photocopy of Succession order issued by competent court or legal heirship certificate issued by respective administrative authority. 3) The original property documents shall be released to the legal heir in whose favour, all the legal heirs and co-owners have executed a registered Power of Attorney. Further, this authorised legal heir's name should be specified in the Legal Heir Certificate or Succession Certificate, as may be applicable. 4) The aforesaid authorised legal heir shall also execute an indemnity in favour of Aryadhan to indemnify the losses, and damages etc. That may be brought down or incurred by Aryadhan in future. 5) Photocopy/photocopies of KYCs of all the persons (Borrower/Co-borrowers and legal heirs) must be documented. 6) In case , any of the above is not being fulfilled , the release of property papers will be at the sole discretion of the RE .
Demise of sole property owner	<p>Documents will be released to the Legal Heir/s subject to following compliance:</p> <ol style="list-style-type: none"> 1) Photocopy of Death Certificate of deceased owner/co-sharer. 2) Photocopy of Succession Certificate/Order issued by competent court or legal heirship certificate issued by respective administrative authority. 3) The original property documents shall be released to the legal heir in whose favour, all the legal heirs have executed a registered Power of Attorney. Further, this authorised legal heir's name should be specified in the Legal Heir Certificate or Succession Certificate, as may be applicable. 4) The aforesaid authorised legal heir shall also execute an indemnity in favour of Aryadhan to indemnify the losses, and damages etc. that may be brought down or incurred by Aryadhan in future. 5) Photocopy/photocopies of KYCs of all the persons (Borrower/Co-borrowers and legal heirs) must be documented. 6) In case , any of the above is not being fulfilled , the release of property papers will be at the sole discretion of the RE .

5. Compensation for Delay: If ARYADHAN fails to release documents or file charge satisfaction forms within 30 days of full repayment/ settlement of loan (the date realization of funds in ARYADHAN's Bank account will be considered as complete repayment /settlement date). Any delay in releasing the property papers on the part of Aryadhan, shall be communicated to the Borrower/Mortgagor, as the case may be and in such cases ARYADHAN shall compensate to the Borrower is responsible for the delay, it must compensate the borrower at the rate of ₹5,000 per day of delay.

6. Loss or Damage: In the unfortunate event of loss or damage to original property documents, either partially or entirely on the part of Aryadhan, it shall assist the borrower in obtaining duplicate or certified copies and shall also bear the associated costs and pay compensation as mentioned in paragraph 5 above. However, ARYADHAN is granted an additional 30 days to complete this process.

7. Additional Legal Rights: The compensation provided under these directives does not affect a borrower's rights to seek further compensation as per applicable laws. These guidelines shall be effective from December 1, 2023 which aim to protect borrowers' rights and ensure a smoother, more accountable lending process. thereby enhancing the overall borrowing experience for consumers.

Document Release Process

Within 7 (seven) days from the closure of loan, borrower(s) need to contact the ARYADHAN to schedule an appointment for the release of the property documents.

Please note that for the release of original property documents, the property owner or their legal heirs, as the case may be, shall be present in the manner as specified herein.

The property owner and/or the authorized representative should carry their original Identity and Signature Proofs (e.g. PAN card, Passport, Driving license, etc.). In case the signature are different from Identity proofs, then signature must be attested by gazetted officer or by the bank. The authorized representative should also carry an Authority Letter/Power of attorney, as may be applicable, co-executed and signed by all property owners who are not present in-person.

In case borrower(s) require any assistance from ARYADHAN for removal of charge on the property in any government record, borrower(s) may discuss the same with the ARYADHAN's personnel at the time of release of property documents.