

POLICY FOR RESPONSIBLE LENDING CONDUCT – RELEASE OF IMMOVABLE PROPERTY DOCUMENTS ON REPAYMENT/ SETTLEMENT OF LOANS

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) addressing responsible lending conduct among financial institutions including NBFCs/HFCs. This directive pertains to the release of immovable property documents upon the full repayment or settlement of Personal 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 branch where the loan account was serviced or any other office of the ARYADHAN where the documents are available, based on their preference. 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) All legal heirs of the deceased along with co-owner will receive the original property documents. 4) Original indemnity bond to indemnify the any future loss, damage etc to ARYADHAN from the legal heirs shall be taken. 5) In case of registered power of attorney executed by all the legal heirs in the name of co-owner or one of the Borrower/co-borrowers; he can collect the original documents along with remaining coborrowers. 6) Photocopy/photocopies of KYC% of all the persons (Borrower/Coborrowers and legal heirs) must be documented. 7) 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 order issued by competent court or legal heirship certificate issued by respective administrative authority. 3) All legal heirs of the deceased will receive the original property documents.

	<p>4) Original indemnity bond to indemnify the any future loss, damage etc to ARYADHAN from the legal heirs shall be taken.</p> <p>5) In case of registered power of attorney executed by all the legal heirs in the name of one of the Borrower/ co-borrowers; he can collect the original documents along with remaining co-borrowers.</p> <p>6) . Photocopy/photocopies of Kyc's of all the persons (Borrower/Coborrowers and legal heirs) must be documented.</p> <p>7) Person receiving the original documents on behalf of the deceased person must be the party of the loan agreement.</p> <p>8) In case, any of the above is not being fulfilled, the release of property papers will be at the sole discretion of the RE.</p>
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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), ARYADHAN must communicate the reasons for the delay to the borrower. In cases where the ARYADHAN 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, ARYADHAN must assist the borrower in obtaining duplicate or certified copies. ARYADHAN will bear the associated costs and pay compensation as mentioned in paragraph 7. 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.

8. Process for Document dispatch post loan closure and Customer communication

Headers	Remarks	Responsibilities	TAT
Full Repayment/Settlement	Realisation of funds in ARYADHAN Bank statement	Payment Operations-HO	
Closure of Loan	Loan closed in system basis full repayment/settlement/Term Maturity	Payment Operations-HO	

Customer communication	Intimation to customer regarding closure of loan via letter/ SMS/Whatsapp/Voicecall	HO- Customer Service	
Dispatch of Original Documents	Original Documents and NOC dispatched to service branch.	Collateral Custody Operations-HO	
Customer communication	Intimation to customer regarding dispatch of documents/NOC via letter/ SMS/ WhatsApp /Voice call	HO- Customer Service	
Document recall to HO	Original documents to be called back and sent to storage if not collected by the customer.	Branch Operations	
Document Handover	Documents will be re-dispatched to service branch post customer's confirmation	Collateral Custody Operations HO	

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, all the property owners are required to be present in-person. In case not all/any of the property owners are able to come in person, they can, in the format enclosed hereto or as near as thereto, authorize the co-owner/any other co-borrowers on the loan to collect on his/her behalf.

The property owner and/or the authorized representative should carry their own 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 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.