

Policy on Responsible Lending Conduct

Release of Immovable Properties

(House / Flat / Bungalow / Gala / Unit / Office Premises / Land and Building / Factory, etc.) in respect of matters involving deceased mortgagors / borrowers

After closure of loan facility/facilities, the mortgage stands redeemed and the mortgagor(s) have a right to get back their title deeds deposited with the Bank under the provisions of Section 60(1) of the Transfer of Property Act. If there are more than one Mortgagors in that case the original title deeds of the property will have to be handed over to the Mortgagors or any of their representatives who is having valid and subsisting special power of attorney or a valid letter of authority for collecting the original title deeds.

If both Borrower and Mortgagor are different, the Borrower may be asked to either foreclose the loan or offer a different / additional clear and unencumbered security in case dispute arises on death of one / more of the joint owner(s) / mortgagor(s).

Ascertaining legal heirs of the deceased shall have to be done as per the claim procedure laid down by the Bank in its Credit Policy.

A Public Notice may be issued for inviting claims if any from legal heirs and the same shall be done through Bank's Panel Advocate. Charges shall have to be borne by the legal heirs of the borrower / mortgagor.

Release Deed/Re-Conveyance Deed shall be registered in favour of the claimant/mortgagor wherever applicable.

If the deceased owner / mortgagor has executed any WILL then Probate may be insisted, on case to case basis irrespective of whether it is a single owner or joint owners.

Singly owned Property - If the immovable property given as security was owned by an individual owner / mortgagor who expires before closure / liquidation of the loan, the Bank shall arrange to handover the title deeds to the legal heir(s) of the deceased on obtaining a proper acknowledgement to that effect along with obtaining the NOC from all other legal heirs, if applicable.

Jointly owned Property - If one or more of the joint owner(s) / mortgagor(s) expire before closure / liquidation of the loan, the title deeds shall be returned / handed over to surviving owner(s) / mortgagor(s) along with the legal heirs of the deceased owner/mortgagor(s) with a proper acknowledgement to that effect along with obtaining the NOC from all other legal heirs.

If one or more or all the joint owner(s) / mortgagor(s) expire before closure / liquidation of the loan and if all the legal heirs of the deceased along with the survivors are willing to close the loan account, the property shall be released in favour of the surviving legal heirs of the deceased mortgagor(s) jointly or to the representatives or in favour of a particular legal heir, upon obtaining the NOC from all other legal heirs.

In case, if the legal heirs of the deceased mortgagor are neither co-operating by executing the acknowledgement of debt / continuing security, the Bank shall follow the due legal procedure to get the dues cleared/recovered. The Bank shall arrange to dispose off/sell the securities / properties through auction and / or any other legal mode and recover its dues out of the proceeds of such sale. Excess proceeds if any shall be refunded to the person(s) entitled by obtaining an

indemnity to that effect. NOC from all other legal heirs and authority letter for handing over the excess money to a particular person shall be obtained. It is advisable to obtain noc from legal heirs by way of duly stamped and notarized declaration.

Bank shall obtain a Nil Liability in respect of the security from all its branches before release of the original property documents to the legal heirs of the deceased owner/mortgagor(s) with a proper acknowledgement to that effect along with the NOC from all other legal heirs, if applicable.

Policy on Responsible Lending Conduct

Release of Movable Properties

(Plant & Machinery / Equipment / Vehicles / Furniture & Fixtures / Consumer Durables) in respect of matters involving deceased hypothecators / borrowers

If the Hypothecator / Borrower of a movable property expires before the closure of loan against moveable property, the Bank shall bring on record the surviving legal heirs / assigns / legal representatives of the deceased Hypothecator / Borrower to recover its loan dues. If the loan is paid off by the legal heirs/ assigns/ legal representatives, the ownership documents of the assets shall have to be returned / handed over to the person(s) entitled by obtaining a duly stamped and notarized indemnity to that effect. If the legal heirs/assigns/legal representatives of the deceased Hypothecator/Borrower are not willing to continue the loan, the Bank shall arrange to dispose off / sell the securities through auction and recover its dues out of the proceeds of the Sale. Excess proceeds if any shall be refunded to the person(s) entitled by obtaining a duly stamped and notarized indemnity to that effect.

Release of Gold pledged for Loan against Gold in respect of matters involving deceased pledgers / borrowers

In the event of death of the pledger/borrower before closure of gold loan, the Bank shall prepare an inventory of the gold/gold articles/ornaments etc. pledged by the deceased borrower at the time of availing a gold loan which were kept in the safe custody of the Bank. Bank shall ascertain the market value of the gold pledged against the outstanding balance in the gold loan account. The Bank shall approach the nominee for settlement of Bank's dues / liability in the gold loan account. If the loan is paid off by the nominee, the gold/gold articles/ornaments etc. as per the inventory shall be returned / handed over to the nominee by obtaining a duly stamped and notarized indemnity to that effect. If the nominee fails to pay the Bank's dues / liability in the gold loan account, then the Bank shall dispose off/sell the gold through auction and recover its dues out of such sale proceeds of the gold. Excess proceeds if any shall be refunded to the nominee by obtaining a duly stamped and notarized indemnity to that effect.

Release of Other Securities (Life Insurance Policies, National Saving Certificates, Government Bonds, Shares of Listed Companies, etc.) in respect of matters involving deceased assignors / borrowers

Life Insurance Policies:

In the event of death of the pledger/assignor/policy holder/borrower before closure of loan, the Bank shall initiate the process to recover surrender value of the policy towards satisfaction of Bank's dues from the deceased pledger/assignor/policy holder/borrower. The excess amount of the surrender value shall be refunded to the legal heirs/assigns/legal representatives of the deceased pledger/assignor/policy holder/borrower.

National Savings Certificates (NSC) / Government Bonds (GB):

In the event of death of single / all joint holders i.e. borrowers/ pledgers of the securities, the Bank shall as it deems fit, approach the nominee or legal heirs / assigns / legal representatives / executors of the deceased Pledger and / or borrowers as the case may be to recover its dues. On failure of nominee or legal heirs / assigns / legal representatives / executors of the deceased Pledger and/ or borrowers to settle the Bank's dues, the Bank shall claim the face / accrued value of such securities from the Post Office authorities / Government bodies to satisfy its due appropriately. The excess amount of face / accrued value of such securities shall be refunded to the legal heirs/assigns/legal representatives/executors of the deceased pledger and / or borrower.

Shares of Listed Companies:

In the event of death of the Pledger, the Bank shall ascertain the market value of the shares pledged and also ascertain the legal heirs of the deceased pledger/borrower and nominee of the shares as per the Bank's laid down procedure in respect of death claim. The Bank shall approach the nominee / legal heirs for settlement of the loan and shall complete the necessary formalities with Depository Participants (NSDL/CDSL as the case may be) for invocation of shares. Sale proceeds of the shares shall be appropriated towards settlement of debt due / liability. Any excess proceeds out of the sale of shares shall be refunded to legal heirs / nominee subject to due process and necessary precautions in the interest of the Bank. Shortfall if any after appropriation towards debt due / liability shall have to be made good by the legal heirs / executors/ assigns/ guarantors of the deceased.

Timeline for release of original security documents to the legal heirs of the deceased borrower:

In all the aforementioned situations, the original security documents shall be released / handed over to the legal heirs of the deceased borrower/s within 30 days from the date of full and final settlement of bank dues of the deceased borrower subject to the conclusive compliance of all the terms and conditions of the sanction for death claim.