

PROCEDURE FOR RETURN OF ORIGINAL MOVABLE /IMMOVABLE PROPERTY DOCUMENTS

1. BACKGROUND AND PURPOSE:

The Reserve Bank of India (RBI) vide its Circular No. RBI/2023-24/60 dated September 13, 2023 had advised the Board of NBFCs to lay out appropriate internal principles and procedures for return of original movable / immovable property documents.

In continuation of the above circular, the RBI has issued the following directions to NBFCs:

In order to address the contingent event of demise of the sole borrower or joint borrowers, the NBFCs shall have a well laid out procedure for return of original movable /immovable property documents to the owners/legal heirs. Such procedure shall be displayed on the website of the NBFCs along with other similar policies and procedures for customer information.

In compliance with the requirements of the RBI Regulations mentioned above, Oxyzo Financial Services Limited has adopted this process. This process should always be read in conjunction with RBI guidelines, directives, circulars and instructions.

2. RETURN OF PROPERTY DOCUMENTS TO THE OWNER

- Original property documents that were provided by the borrower at the time of loan approval, shall be handed over to the borrower(s) within 30 working days after full repayment/closure of the loan account.
- The original property documents will be made available for retrieval at Oxyzo's head office located at 101, First Floor, Vipul Agora Mall, MG Road, Gurugram – 122001.
- In the unfortunate situation of death of a property owner(s), the documents can be handed over to the legal heir(s)/ successors.

3. LEGAL HEIR

Legal Heir means any person, male or female, who is entitled to succeed to the property of an intestate (a person is deemed to die intestate in respect of property of which he or she has not made a testamentary disposition capable of taking effect) under Hindu Succession Act, 1956. as opposed to the Nominee, is/are the Individuals who has the Right & Entitlement to the Wealth/Assets/Properties of the Deceased/Demised Individual/Individual under the Signed Legal WILL.

4. TYPES OF DOCUMENTS REQUIREMENTS BY CLAIMANT (LEGAL HEIR/BENEFICIARY):

- Death Certificate of the Mortgagor.
- Legal Heir Certificate and Legal Succession Certificate.
- Authorization Letter along with NOC from other Legal Heirs of the Person Deceased.

- Signed Declaration by Legal Heir while receiving Documents.
- Identity card of all the Claimants
- Address Proof of all the Claimants
- Probate granted by court of competent jurisdiction. (Where property is getting transferred via will)

5. FURTHER BIFURCATION OF DOCUMENTS REQUIRED FOR LEGAL HEIR/BENEFICIARY TO RECEIVE PROPERTY OR PROPERTY RELATED DOCUMENTS KEPT IN LENDER CUSTODY:

- **DEATH CERTIFICATE:** Death Certificate is an Official Legal Document issued by a Registrar of that Place/Block Development Officer/Panchayat Official & Gram sevak (Only for Village Areas) duly signed along with their stamps.
- **LEGAL HEIR CERTIFICATE:** A Legal Heir Certificate is the document issued by Tehsildar of the district/competent authority for those whose Parents/Spouse is Deceased without leaving a Will. This is required to establish relationships between Deceased person & Legal Heir to Claim Wealth & Property/ies.
- **LEGAL SUCCESSION CERTIFICATE:** It is a Certificate/order issued by a Court of competent jurisdiction declaring the names of legal heirs of a deceased person and percentage of their share in the property of the deceased. A succession certificate is a document which gives authority to a person named in the document to collect “debts and securities” (i.e. credit balances & transferable securities) due to deceased person.
- **AFFIDAVIT:** Affidavit stating that they are the only legal heirs of the deceased entitled to succeed to the estate of the deceased on an interstate on an interstate succession
- **AUTHORIZATION LETTER ALONG WITH AFFIDAVIT/NOC :** When there are more than one Legal Heirs then Authorization Letter along with the Affidavit/NOC is req. which needs to be Signed by all the legal heirs in favour of the concerned person who collects all the documents listed in the LOD in respect of the said loan account. & NOC/Affidavit should be Notarized by Gazetted Officer.
- **PROBATE:** ‘Probate’ as the copy of a Will certified under the seal of court of competent jurisdiction with a grant of administration to the estates of Testator.
- **LEGAL REPRESENTATION:** It is a Court Order such as Probated Will, Letter of Administration or Succession Certificate, empowering certain person/s to collect the amounts due to the deceased.
- **PROBATED WILL:** It is a copy of the Will certified under the seal of the Court of competent jurisdiction confirming that the Will has been duly executed and has the force to be acted upon. It is the legal process/court order administering the estate of a deceased person by resolving all claims and distributing the deceased person’s property under a valid Will. Bank to act as per the probate/court order.

- **LETTER OF ADMINISTRATION** : Where there is no Will or when a person dies leaving a Will without appointing an Executor or if an executor appointed by a will is legally incapable or refused to act or who has died before the testator or before he has proved the Will, an administrator can be appointed by a Competent Court as distinguished from an executor who can be appointed by a person by his Will or codicil.

6. PRE-REQUISITE FOR RELEASE OF PROPERTY DOCUMENTS BY OXYZO

- The claimant is proved to be a legal heir or actual claimant.
- No dues certificate is issued by Oxyzo.
- Charge is satisfied on portals wherever required.
- Cancellation of the Mortgage Deed, if registered mortgage.
- Not disqualified as per law.

7. FEW OF THE DISQUALIFICATIONS ARE AS FOLLOWS

Disqualification due to murder

Section 25 of the Act disqualifies a murderer from inheriting the property of the person whom he murdered. He is treated as non-existent and is not considered a part of the line of descent (Nirbhai Singh v. Financial Commissioner, Revenue, Punjab & Ors., 2017). A murderer under the Section also includes a person who aids or abets such a crime.

Disqualification due to conversion

Section 26 of the Act disqualifies a person or his children born after conversion, who converts from the Hindu religion to any other religion. The only condition upon which his descendants are eligible to inherit is that they must be Hindus at the time of succession. Section 27 further gives the effect of disqualification and mentions that in case of any disqualification, the property would be inherited considering that the person disqualified died before the intestate.

8. PROCESS FOR RELEASE OF ORIGINAL PROPERTY DOCUMENTS OF THE DECEASED BORROWER(S) TO THE LEGAL HEIRS/BENEFICIARY(ies)

S.No.	Documents
1.	Copy of Death Certificate- To be verified with the Original Death Certificate.
2.	Copy of Legal Heir Certificate and Legal Succession Certificate – To be verified with the original Legal Heir Certificate and Legal Succession Certificate.
3.	Copy of Probate (Property transferred via ‘Will’) – To be verified with original Probate.
4.	Notarized Legal Heir Affidavit/ Beneficiary Affidavit to be taken from all the legal heirs of the deceased Property Owner
5.	Copy of Identity card and Address Proof of all the Legal Heir/Beneficiary – To be verified with the originals
6.	Authority Letter / POA executed by other legal heirs in favour of one of the legal heir(s)/beneficiary(ies) to collect the original property papers.
7.	Acknowledgement should be taken on the List of Documents handed over to the legal heir(s)/Beneficiary(ies) of the deceased Property Owner confirming the collection of original property papers.

9. REVIEW OF THE PROCESS

This process shall be reviewed in tune with the regulatory guidelines / internal requirements or as and when considered necessary.