PROCEEDINGS ON RELEASE OF REGISTERED MORTGAGE / MEMORANDUM OF DEPOSIT OF TITLE DEEDS (MODTD)

1. PURPOSE

The purpose of this Policy is to prescribe a uniform procedure for the release of Registered Mortgage / Memorandum of Deposit of Title Deeds (MODTD) created in favour of Muthoot Microfin Limited upon full repayment or settlement of the corresponding loan.

The Policy is intended to ensure timely release of the mortgage/security, return of original property documents, completion of applicable charge satisfaction formalities and updation of relevant public records in accordance with applicable laws, regulatory directions and the internal policies of Muthoot Microfin Limited.

2. OBJECTIVE

The objectives of this Policy are to:

1. Ensure proper verification of loan closure before release of the mortgage/security.
2. Ensure timely execution and registration of the Mortgage Release Deed, wherever applicable.
3. Ensure timely return of original title deeds and other original documents to the borrower.
4. Ensure completion of applicable charge satisfaction and updation of public records.
5. Ensure compliance with applicable directions issued by the Reserve Bank of India (RBI), statutory requirements and internal policies of Muthoot Microfin Limited.
6. Maintain proper records and documentary evidence of the mortgage release process.

3. SCOPE

This Policy shall apply to all cases where a Registered Mortgage and/or Memorandum of Deposit of Title Deeds (MODTD) has been created in favour of Muthoot Microfin Limited as security for a loan facility and the corresponding loan has been fully repaid or otherwise settled.

4. VERIFICATION OF LOAN CLOSURE

1. Confirm that the entire loan amount, including principal, interest, applicable legal expenses and all other dues, has been fully paid.
2. Ensure that the loan account has been marked as "Closed" in the Loan Management System (Serene Pro).
3. Obtain confirmation from the concerned Team that no amount remains outstanding.
4. Verify that there are no pending dues, claims or liabilities which may prevent release of the mortgage.
5. The date of full repayment or settlement of the loan shall be treated as the reference date for compliance with the applicable directions issued by the Reserve Bank of India (RBI) relating to the release of original property documents and completion of charge satisfaction formalities by Muthoot Microfin Limited.
6. Muthoot Microfin Limited shall ensure completion of the applicable mortgage release/charge satisfaction formalities and release of original property documents within 30 (thirty) days from the date of full repayment or settlement, in accordance with applicable RBI directions.

5. ISSUE OF NO OBJECTION CERTIFICATE (NOC) / LOAN CLOSURE CERTIFICATE

1. Upon confirmation of complete loan closure, the applicable No Objection Certificate (NOC) / Loan Closure Certificate shall be issued to the borrower.
2. The concerned department shall verify that there are no pending claims, litigation, attachment orders, recovery proceedings or other legal restrictions affecting the mortgage/security.
3. Where any legal proceedings or other impediment exists, the matter shall be referred to the Legal Team and competent authority before initiating the release process.

6. LEGAL VERIFICATION

The Legal Team shall verify:

1. The original Registered Mortgage Deed / MODTD.
2. Registration particulars, including document number, year and Sub-Registrar Office.
3. Details and description of the mortgaged property.
4. Loan account and security particulars.

5. Identity and authority of the parties/signatories.
6. Confirmation regarding full discharge of the secured liabilities.
7. Compliance with all applicable statutory requirements.
8. Compliance with the internal approval requirements of Muthoot Microfin Limited.
9. Any other document or requirement considered necessary for legally valid release of the mortgage/security.

7. PREPARATION OF MORTGAGE RELEASE DEED

The Legal Team shall prepare the Mortgage Release Deed / Deed of Release, as applicable, containing:

1. Particulars of the original Mortgage Deed / MODTD.
2. Registration details of the original security document.
3. Loan account details.
4. Particulars of the borrower and mortgaged property.
5. Declaration that all secured liabilities have been fully discharged.
6. Declaration that Muthoot Microfin Limited has no further claim over the mortgaged property in respect of the discharged loan.
7. Release of all rights, title, interest, charge and security created in favour of Muthoot Microfin Limited.

8. INTERNAL APPROVAL

1. Obtain approval from the HOD/competent authority in accordance with the Delegation of Authority of Muthoot Microfin Limited.
2. The authorised signatories shall execute the Mortgage Release Deed in accordance with the applicable internal requirements.
3. The Common Seal/Round Seal of Muthoot Microfin Limited shall be affixed wherever applicable or required.

9. EXECUTION AND REGISTRATION

1. The authorised representative of Muthoot Microfin Limited and the borrower, wherever required, shall execute the Mortgage Release Deed.

2. Where the original mortgage was registered and the applicable State law requires registration of the release, the Mortgage Release Deed shall be presented before the same Sub-Registrar Office where the original mortgage was registered, unless otherwise permitted under applicable law.
3. The concerned Branch/Operations Team shall coordinate with the borrower and Legal Team for completion of the registration formalities.
4. All applicable stamp duty, registration fees and other statutory/documentation expenses relating to the Mortgage Release Deed and its registration shall be borne and paid by the borrower/customer, unless otherwise specifically approved by Muthoot Microfin Limited or required under applicable law.
5. The borrower/customer shall be informed regarding such applicable expenses before the registration/release process is undertaken.
6. The Legal Team shall not bear customer-specific statutory or registration expenses unless specifically authorised by the competent authority.

10. UPDATION OF PUBLIC RECORDS AND CHARGE SATISFACTION

1. Obtain an updated Encumbrance Certificate (EC) or such other revenue/registration record as may be applicable, confirming that the mortgage has been duly released.
2. Where applicable, file charge satisfaction, cancellation or release of the security interest with CERSAI or any other applicable statutory registry in accordance with law.
3. Where applicable, ensure updation of the relevant revenue, registration or other public records.
4. The Branch Team and the concerned departments of Muthoot Microfin Limited shall ensure that all charge satisfaction, mortgage release and related statutory compliances are completed promptly so as to facilitate compliance with the timelines prescribed under the applicable RBI directions.

11. RETURN OF ORIGINAL DOCUMENTS

1. Upon completion of the Mortgage Release Deed formalities, registration, wherever applicable, verification and charge satisfaction/release formalities, all original title deeds and other original documents deposited by the borrower shall be returned to the borrower or his/her duly authorised representative against a duly executed acknowledgement.
2. The identity and authority of the person receiving the original documents shall be duly verified before handover.
3. The documents returned shall be checked against the document list/records maintained by Muthoot Microfin Limited.
4. The acknowledgement evidencing receipt of the original documents shall be duly signed by the borrower/authorised representative and preserved in the loan file.

5. Muthoot Microfin Limited shall ensure that the original property documents are released, and all applicable charge satisfaction and mortgage release formalities are completed within 30 (thirty) days from the date of full repayment or settlement of the loan, in accordance with the applicable directions issued by the Reserve Bank of India (RBI).
6. Upon handover of the original title deeds and other original documents, the borrower/customer shall provide a written acknowledgement confirming receipt of the documents.
7. The acknowledgement shall specify the loan account details, date of handover and particulars of the documents returned. The duly signed acknowledgement shall be obtained at the time of handover and preserved in the records of Muthoot Microfin Limited as evidence of delivery of the original documents.

12. LEGAL PROCEDURE ON DEATH OF APPLICANT/CO-APPLICANT/GUARANTOR

Deceased Applicant / Co-applicant / Guarantor – Mandatory Documentation

In the event of the death of any Applicant, Co-applicant or Guarantor during the subsistence of the loan, the Branch shall mandatorily obtain and verify the original Death Certificate along with the Legal Heirship Certificate / Family Member Certificate, as applicable.

For further processing of the loan account, an Addendum-cum-Indemnity Affidavit shall be obtained on the applicable stamp paper of Rs.200/- + Rs.500/-. The said Addendum-cum-Indemnity shall be duly notarized and executed/signed by all the legal heirs of the deceased Applicant/Co-applicant/Guarantor, as applicable.

The Branch shall ensure that all legal heirs are properly identified and that the documents are duly executed before proceeding with any further loan-related documentation, modification, settlement, release, or other consequential action.

At any stage of the process, if deemed necessary based on the facts and circumstances of the case, the Branch/Legal Department may call for such additional documents, clarifications, declarations, undertakings or supporting records as may be required for legal, regulatory, verification or risk-mitigation purposes, and the same shall be obtained before proceeding further.

Detailed step by step procedure is available on the Company website at https://muthootmicrofin.com/

13. RECORD MAINTENANCE

The following records shall be preserved with Muthoot Microfin Limited:

1. Mortgage Release Deed / Deed of Release.
2. Registered Mortgage Release Deed, wherever applicable.
3. Updated Encumbrance Certificate (EC) / Form 8 or other applicable record evidencing release of the mortgage.
4. No Objection Certificate (NOC) / Loan Closure Certificate.
5. Acknowledgement evidencing return of original title deeds and other documents.
6. CERSAI charge satisfaction/release confirmation, wherever applicable.

7. Proof of execution and registration, wherever applicable.
8. Internal approvals.
9. Relevant correspondence relating to the mortgage release and return of original documents.

All such records shall be maintained in the loan file and the digital document management system of Muthoot Microfin Limited for future reference, audit and regulatory compliance.