



RESPONSIBLE LENDING CONDUCT - RELEASE OF MOVABLE / IMMOVABLE PROPERTY DOCUMENTS

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Policy/Procedure on Responsible Lending Conduct - Release of Movable / Immovable Property Documents

INTRODUCTION AND BACKGROUND:

Protium Finance Limited (hereinafter referred to as 'the Company' or 'Protium' or 'PFL'), is a Non-Banking Financial Company Investment and Credit Company categorized as Middle Layer ("NBFC ICC ML"). The Company provides both secured and unsecured loans to consumers and educational institutions, and also extends secured and unsecured loans to Micro, Small, and Medium Enterprises (MSMEs) across India.

This Policy/Procedure has been prepared to adhere to the Circular dated September 13, 2023 issued by the Reserve Bank of India (RBI) on Responsible Lending Conduct, specifically addressing the release of movable and immovable property documents upon the repayment or settlement of personal loans. Since Protium Finance Limited (the Company) is a Non-Banking Financial Company (NBFC), the Company is required to align its practices with the applicable regulatory directives and maintain the highest standards of customer service.

OBJECTIVE:

This policy/procedure intends to lay down procedures and protocols to ensure timely and efficient release of original movable and immovable property documents wherever warranted (Personal Loans), and to provide appropriate compensation in case of any delays or loss/damage to crucial property documents in appropriate cases.

This Policy/Procedure is applicable to all cases where the release of original movable and immovable property documents becomes due on or after December 1, 2023.

RELEASE OF MOVABLE / IMMOVABLE PROPERTY DOCUMENTS:

The Company shall release all original movable and immovable property documents and remove any charges registered with any registry within 30 days from the date of full repayment or settlement of all the loan accounts which are charged/secured by the specific documents/security/ies.

In cases where cross-collateralization exists, i.e., the borrower has provided security for multiple facilities, the 30-day period for the release of original movable and immovable property documents apply only after the full repayment or settlement of all the loan facilities availed by the borrower, unless waived by the sanctioning authority. The release of documents in such instances will be subject to the complete closure of all associated loan accounts and the satisfaction of all outstanding liabilities by the borrower.

The Company shall also endeavor to release all charges registered with the various registries within a period of 30 days from the date of issuance of a "No Dues" letter to the borrower. In situations where delays in the release of such charges are caused on account of technical issues on external portals or challenges faced in the offices of regulatory authorities, such as the MCA / CERSAI / NESL / Sub – Registrar of assurances or other government regulatory offices, the Company shall not be held responsible for any resulting delay beyond the stipulated 30-day period. The Company will make every effort to resolve such issues promptly and will communicate transparently with the concerned borrower/s, providing details regarding the nature of the delay and the feasible measures being taken to expedite the process. However, it shall also be made abundantly clear to the borrower that it would be for the borrower:

- i) to initiate satisfaction of charge in the register of charges maintained with the concerned ROC;
- ii) to initiate the process for drafting and execution of a release deed for mortgaged immovable assets and to pursue with the concerned sub – registrar of assurances for registering such release deeds

With regard to actions required to be initiated and followed up by the borrower, the Company shall not be held responsible for delays caused due to delayed action or inaction of borrowers. Further, the Company shall not be responsible for any delay caused due to reasons beyond the control of the Company and its officers or agents.

The borrower shall be given the option of collecting the original movable/ immovable property documents either from the branch where the loan account was serviced or any other office of the Company where the documents are available, as per borrower's preference.

The details regarding the timeline and location for the return of these documents will be explicitly mentioned in the loan sanction letters issued on or after the effective date of this Policy/ Procedure.

PROCEDURE FOR RETURN OF DOCUMENTS IN CASE OF DEMISE OF BORROWER:

Although the Company is primarily engaged in business loan lending, in the event of any personal loan being sanctioned and disbursed, the Company will ensure the adherence to the below process for the return of original movable and immovable property documents to the legal heirs in the unfortunate circumstance of the demise of the sole borrower or joint borrowers:

Upon receiving a formal request from the legal heirs of the deceased borrower/Collateral Owner, the Company will require following documents to be submitted :

- 1) Death Certificate Copy along PAN / masked Aadhar / Voter ID / Passport Legal Heirs Certificate or Survival Members Certificate issued by the Competent Authority.
- 2) In case of Multiple Legal Heirs, all the Legal Heirs to be present for document handover along with KYC Documents like PAN / masked Aadhar / Voter ID / Passport in Original to doing Original Seen.

Following the verification of the submitted documents and confirmation of the legal heirs' entitlement to the property documents (which may entail taking an opinion to this effect from external legal counsels), the Company will facilitate the orderly transfer of the movable and immovable property documents to the designated legal heirs, ensuring compliance with all relevant legal and regulatory requirements.

PROCEDURE IN THE EVENT OF LOSS/DAMAGE OF ORIGINAL PROPERTY DOCUMENTS:

In the event of loss or damage to the original movable or immovable property documents held by the Company the customer will be eligible for following assistance:

- a. The Company shall immediately inform the borrower in writing which shall include details of the documents that have been lost or damaged.
- b. The Company will lodge a police complaint with the local police informing them on the lost documents
- c. The Company will do Paper Publication in the local newspaper informing the Public at Large – not to deal with the property and loss information on the documents.
- d. The borrower may acknowledge the receipt of the letter in writing.
- e. Company will assist the borrower in obtaining duplicate or certified copies of the documents, covering all associated costs and providing the above-mentioned compensation for the delay, subject to the terms detailed in the Policy/ Procedure regarding delays arising due to factors beyond the control of the Company and its officers.

- f. The Turn-around-time (“TAT”) for this process shall be 60 days after full repayment/ settlement of loan. Borrower shall be intimated at every step of the process via written communications.

COMPENSATION FOR DELAY OR LOSS/DAMAGE:

In the event of any delay in releasing the original documents beyond the stipulated 30 days after full repayment or settlement of the loan, such delay not being attributable to any action or inaction of the Company, the Company will communicate the reasons for the delay to the borrower and provide compensation at the rate of ₹5,000 per day of delay, subject to the exceptions outlined in the Policy/ Procedure regarding delays arising from external portal and regulatory office issues.

In the event of any loss or damage occurring to the original movable or immovable property documents, the borrower shall be eligible for compensation as per the prescribed TAT of 60 days basis the directive of regulatory bodies.

REVIEW OF POLICY/PROCEDURE

The Board of Directors shall review this Policy annually or on a need-basis i.e., in the event of change in regulatory framework or for business or operational need (whichever is earlier). Such updates / changes to the Policy will be communicated to the relevant staff /personnel (both in-house or outsourced) and relevant stakeholders across the Company.

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