

AUCTION POLICY

The Auction Policy has been amended and duly sanctioned by the Board of Directors during the Board Meeting convened on 04.04.2024 at the Company's Registered Office.

Introduction

The Company's overarching objective is to refrain from auctioning pledged ornaments whenever possible. Efforts will be made to engage with customers for the release of pledged items before they are listed for auction. Even after inclusion in the auction list, customers will be given further opportunities to redeem their pledged items through various settlement options.

Criteria for Auctioning

Gold loans are extended against the pledge of gold jewelry as collateral security. If such loans are not redeemed within the specified tenure, they will be disposed of via public auction. The auctioning of pledged gold ornaments will be facilitated by approved auctioneers appointed by the Company. In case of eventualities leading to a potential loss due to fluctuations in gold prices or other unforeseen circumstances, the Company reserves the right to call up the loan and proceed with the auction after providing a minimum notice period of 14 days to the borrower.

Intimation of Auction

Customers failing to settle overdue loans despite registered notices will receive final intimation cum auction letters, issued in the local or English language, at least 14 days prior to the proposed auction date. This notice will provide details regarding the auction date and venue, urging borrowers to clear outstanding dues to prevent the security from being auctioned. Additionally, public notification of the auction will be made through newspaper publications and display at branch offices, adhering to applicable rules, regulations, and RBI guidelines.

Auction Procedure

Auctions of unredeemed gold will be conducted at the branch from which the loan was availed, allowing customers the opportunity to participate. Branch managers will be authorized to conduct the auction on behalf of the Company, subject to specified conditions. The auction will involve an open bidding process, with the highest bidder securing the auctioned gold upon payment within the stipulated timeframe. In the event of the highest bidder failing to complete the transaction, the Company may consider bids from other participants, following a structured process.

- Any genuine bidder can participate in branch auction subject to deposit of EMD specified and submission of acceptable documents as ID proof, PAN card copy, GST registration.
- A customer who is coming to release his gold ornaments during branch auction, will be either permitted to do so after paying the total dues including up-to-date interest and charges or allowed to participate in the auction as a bidder subject to compliance of the terms and conditions for participating in the auction as mentioned above.
- The auction will be conducted through an “open bidding” process. The final rate quoted by each bidder will be recorded in the bid register. The bidder who has quoted the highest rate will be declared as the successful bidder and a bid confirmation will be obtained from him, allowing maximum time up to 14 days to remit the amount and lift the auctioned gold. If the bidder fails to remit the amount within the stipulated period, his bid will be treated cancelled.
- If the highest bidder fails to remit the bid amount and lift the auctioned gold within the stipulated time resulting in cancellation of his bid, company may, at his discretion, decide to confirm the bid of any one of the other bidders by following the process of seeking bid confirmation from them individually as per the descending order of their bid amount and giving 7 days’ time to each of them to remit the amount and lift the gold. In case the other bidders are not willing to confirm the bid, or fail to remit the amount and lift the gold within the stipulated time limit, the auction process will be declared as cancelled and steps will be initiated for conducting a fresh auction of the gold.

Online Auction

In addition to physical auctions, online auctions may be conducted, ensuring compliance with statutory requirements and regulatory directives.

Registers and Records

The Company will maintain comprehensive records of auction proceedings, including necessary documents, bidder details, and auction outcomes. These records will be meticulously maintained by designated officers, ensuring compliance with all regulations.

Other terms and conditions

- Size of lot: For convenience, the company shall auction various ornaments in convenient lots. The auction shall be on as is where is basis.
- Inspection: The bidders shall have the right to inspect the ornaments before the auction in the presence of the authorized officer of the company.
- Minimum price: The company shall fix a minimum price for each item to be auctioned. The auction shall commence at a price above the minimum price. The bidder who quotes the maximum price shall be the successful bidder.

- **Proof of identity:** The bidders shall produce proof of their identity in order to be eligible for participating in the public auction. Any one of the documents prescribed by RBI under KYC guidelines shall be accepted by the company towards ID proof. Such proof of identity shall be handed over to the authorized officer of the company. A pass will be issued by the company for each bidder; who alone will be permitted to enter the auction hall.
- **Security Deposit:** An amount of Rs.25000/- is prescribed as security deposit by those who wish to bid at the auction. This amount can be paid by cash/DD drawn in favour of the company and is refundable to the unsuccessful bidders.
- **Minimum payment on bid:** On the date of auction, successful bidders shall remit 30% of the bid amount to the company. The security deposit already paid will be adjusted against the 30% stated above. The balance amount shall be paid within 3 working days.
- **Pledge of gold:** If the successful bidder is not able to raise sufficient money to settle the auction dues within 3 days, he can opt to pledge the gold ornaments bid by him as per gold loan rules of the company and arrange money for payment of the amount. For availing the loan, the bidder shall have to pledge the entire lot bid by him

Refund of Surplus, Recovery of Deficit on Auction

Proceeds from auctions exceeding the borrower's outstanding dues will be treated as surplus and refunded to the borrower within the stipulated timeframe. Deficits, if any, will be pursued through legal channels. Detailed communication regarding auction outcomes and surplus amounts will be provided to customers promptly.