RECAPITA FINANCE PRIVATE LIMITED

GOLD AUCTION POLICY

(Updated as on 1st December, 2025)

10, Amaltas, Phase 1, Chunabhatti, Kolar road, Bhopal, Madhya Pradesh, 462016

VERSION-1.2

Approving Authority	**Board of Directors**
Reviewing Authority	**Audit & Compliance Department**
Effective Date	**1st April 2026**

Review/Revision of policy: This policy document will be reviewed and revised by the Audit & Compliance Department with approval of board of directors in response to changed circumstances, and in any event, at intervals of not more than one year or shorter review periods as may be stipulated by the Board of Directors.

Regulatory Reference: RBI/DoR/2023-24/106, DoR.FIN.REC.No.45/03.10.119/2023-24,Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023. Reserve Bank of India "Guidelines on Fair Practices Code" vide their Circular No:DNBS.CC.PDNo:266/03.10.01/2011-12. DOR.CRE.REC.26/21.01.023/2025-26 Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 DOR.CRE.REC.266/07-01-008/2025-26 Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025.

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AUCTION POLICY

PREAMBLE

Recapita Finance Private Limited (hereinafter referred to as "RECAPITA FINANCE" or "the Company") is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India ("RBI"). The Company is classified as a Base Layer NBFC in terms of the Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, bearing reference RBI/DoR/2023-24/105 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023.

Pursuant to the Reserve Bank of India's Guidelines on Fair Practices Code, as issued vide Circular No. DNBS.CC.PD.No.266/03.10.01/2011-12, read with Circular No. RBI/2013-14/260 DNBS.CC.PD.No.356/03.10.01/2013-14, NBFCs are required, inter alia, to formulate and implement a Board-approved Auction Policy governing the auction of pledged or hypothecated assets.

This Auction Policy has been comprehensively reviewed and updated in alignment with the Reserve Bank of India (Lending against Gold and Silver Collateral) Directions, June 2025, and the RBI guidelines on Credit Facilities dated November 28, 2025, along with other applicable regulatory instructions issued by RBI from time to time in relation to gold loan auctions.

This revised Auction Policy shall come into force with effect from April 1, 2026, and shall be applicable to all auctions initiated on or after the said date. For auctions conducted prior to April 1, 2026, the extant provisions of Auction Policy – Version 1.1 shall continue to govern.

This Policy supersedes all previous internal instructions, guidelines, or practices relating to auction of pledged or hypothecated assets upon its effective date and shall be updated as and when required to remain compliant with future regulatory directions issued by the Reserve Bank of India.

AUCTION OF GOLD JEWELLERY

Gold Loans are sanctioned as Demand Loans against pledge of gold jewellery as collateral security. Loans are generally granted for a maximum tenure of 12 months or for any other periods as specified in the scheme under which the loan is availed.

As per the terms and conditions of sanction, the loan should be closed on or before the due date as per the maximum tenure specified by repaying the principal along with interest due up-to-date and other charges if any. The ornaments are liable to be auctioned for realization of the dues, in case of non-redemption of the ornaments by the borrower by paying the dues on or before the due date as per the sanctioned tenure mentioned in the pledge letter. The term "auction" used in the policy shall mean realization of the security (pledged gold ornaments) created against the loan in public auction, including online auction.

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Notwithstanding anything stated herein, Auction prior to completion of the sanctioned tenure shall be undertaken only where there is a documented breach of RBI-mandated Loan-to-Value (LTV) ratio or material depletion in the value of the pledged gold posing a risk of loss to the Company. Such action shall be supported by internal valuation records and approved as per Board-approved policy after giving a minimum of 14 days' notice to the borrower. In the normal course of time, a minimum 30 days' notice to the borrower needs to be given as per the updated RBI regulations.

However, the Company shall make earnest efforts to reduce the number of auctions by contacting the customer through every possible manner by way of sending periodic communications to Customers for persuading them to pay interest periodically and release the jewellery by paying the dues before the due date or renew the loan by paying the interest up-to-date and the differential in eligible loan amount as per the then prevailing LTV.

In consonance with the above guiding principles, the auction policy and procedure for conducting the auction shall be as follows:

A. AUCTION TRIGGERS IN THE NORMAL COURSE

The following situations will trigger an auction and procedures as mentioned in the Policy will be followed before auctioning the security.

a) Auction of pledged gold jewellery shall be initiated only after the loan account is classified as overdue as per RBI norms or upon non-payment of interest for a continuous period of six months, whichever is earlier. Any deviation from the normal auction trigger shall be permitted only in cases of RBI-mandated LTV breach or material depletion in the value of security, duly documented and approved under Board-approved criteria.

b) Mode and Periodicity for Sending Notices, Intimation to the Borrower will be followed in the following manner:-

Letter Type	Normal Gold
Intimation cum Auction Letter: Public Notice	A public notice in the local language/language understood by the customer(Vernacular), along with English translation, in an approved format, shall be sent to all "Actionable" pledges furnishing the date and venue of auction at least 30 days before the proposed date of auction by registered post AD/Speed Post/SMS/Email/Whatsapp requesting the borrower to immediately pay the full dues failing which the security would be liable to be put on auction, without further notice, for recovery of

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	the dues. Transparency should be maintained in meeting the RBI/FPC expectations for public notice and documentation.

i. If the AD card is not received within a reasonable period, the Auction Dept. shall apply to the post office and obtain a certificate of delivery to the addressee from the post office or if the online delivery report of speed post shows undelivered, the auction notice may be served on the borrower personally by an employee of the Company and signature of the borrower obtained in the duplicate copy of the notice.

ii. MD & CEO may approve procedural modifications strictly in line with prevailing RBI Directions and the Fair Practices Code. Any such modification shall be placed before the Board in the immediately succeeding meeting for noting.

B. AUCTION TRIGGER IN OTHER SITUATIONS

1. Auction due to depletion in the value of security due to fall in prices etc. (auction before completion of tenure)

a) If the Company has come to the conclusion that there is **breach of RBI mandated LTV ratio** and depletion in the value of security on account of fall in gold price which may result in loss to the Company in case the loan is continued, demand can be made on the borrower to repay a certain sum of money per gram of gold pledged to counterbalance the shortfall in the value of security or to pledge additional gold to bring the value of security on par with the advance rate per gram as per the prevailing LTV.

b) In the event of the Customer not remitting the required amount/not pledging the additional gold to cover the outstanding as per the demand made by the Company within 14 days, the Company may decide to auction the ornaments and shall and initiate all processes for conducting the auction accordingly even before the loan becomes due as per the sanctioned tenure of the loan.

c) This may be done selectively customer wise, scheme wise or geography wise as decided by the members consisting of Managing Director, Chief Executive Officer, Compliance Head, Head-Risk, Credit & Control.

2. Separate Auction of gold ornaments identified as spurious / Low Quality or Re-auction in the case of unsuccessful auction.

a) Spurious / low Quality gold ornaments detected during verification anytime subsequent to disbursement of the loan may be taken up for auction even before the due date as per the

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tenure of the loan , subject to the under mentioned compliances. The said procedures shall also be followed for auction of spurious / low quality items detected at the auction center during the course of an auction or while sorting items for the purpose of lifting for auction after completion of the tenure of the loan.

b) The reserve prices for such spurious / low quality ornaments shall be fixed keeping in view the reconfirmed assessed purity and the RBI directions issued from time to time. A realistic reserve price will be fixed as per the purity of the ornaments assessed and as per the RBI guidelines.

c) Re-auction will be conducted in cases of unsuccessful auctions due to absence of minimum number of bidders for conducting an auction or lack of bids for/above the reserve price fixed. The auctioneer should, in such instances, submit in writing that the minimum number of bidders was not present or no bids were received at the bid price fixed due to low quality of gold or the bidder's inability to correctly assess the purity.

3. Notice to borrowers identified in B (1) - Depletion in Security Value and B(2) - Spurious/Low Quality Gold.

Letter Type	Depletion in Security Value	Spurious/Low Quality: Identified at the branch or before completion of the tenure of the loan	Spurious/Low Quality: Identified at the auction Centre or after completion of the tenure of the loan
Intimation Letter	A notice in local language/language understood by the customer(Vernacular) should be sent to the borrower upon identification of loss in the account by registered post AD/SpeedPost /SMS/Email/Whatsapp/Delivery by Company`s personnel calling upon the borrower to settle the loan within a maximum	A notice in local language/language understood by the customer(Vernacular) should be sent to the borrower upon detection of spurious / low quality by registered post AD/SpeedPost/SMS/ Email/Whatsapp/ Delivery by Company`s personnel calling upon the borrower to settle the loan within a maximum of 10 days from the date of such notice. The registered post AD/Speed	A notice in local language/language understood by the customer (Vernacular) should be sent to the borrower upon detection as spurious/low quality. The registered notice should clearly provide reference to the following details, inter alia: 1. Completion of tenure of the loan. 2. That auction notice had already been sent after completion of the tenure of the loan. 3. That the Company had undertaken only a preliminary verification of the gold at the time of disbursing the loan and as per the right conferred on the Company as per the terms and conditions of the loan, to further check the

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	of 2 weeks from the date of receipt of such notice or replenish the security with additional gold failing which the company may dispose the gold through auction without any further notice. Transparency should be maintained in meeting the RBI/FPC expectations for public notice and documentation.	Post/SMS/Email/Whatsapp/Delivery by Company`s personnel should refer to the rights conferred on the Company to dispose of the security by virtue of the undertaking of the borrower in the loan application form and clauses in the loan sanction letter (pawn ticket).	purity/weight of the gold internally or by experts at any time, the purity of the gold was re-verified at the auction Centre prior to auction and was found to be of inferior quality. 4. That the Company is proceeding with auction as already intimated.
Final Letter	Nil	In the case where the account remains unsettled after the issue of the above notice an auction notice furnishing the date and venue of auction shall be served on the borrower at least 14 days before the proposed date of auction.	

Note-

- *All communications (sanction letters, public notices, auction notices) will be provided in the language chosen by the borrower (vernacular or English) and key terms will be explained to illiterate borrowers in presence of an independent witness*
- *A minimum 30-day notice shall be issued for normal auctions; a minimum 14-day notice may be issued only in exceptional cases such as LTV breach or spurious gold, with reasons recorded.*

C. **AUCTION CONDUCTED FOR ANY OTHER REASON**

a) If auction is triggered for any other reasons where probable loss is anticipated vis-a- vis the realizable value of security, all processes connected with the Auction like sending Auction

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Notices by Registered post, publishing in Newspapers etc. will be followed and auction will be conducted following the normal procedure.

b) Notwithstanding anything, the MD & CEO shall be empowered to approve modifications to the points mentioned in points A – Auction Trigger in normal course, point B- Auction Trigger in other reasons, and point C Auction conducted for any other reason, from time to time on the recommendations of the Head-Operations keeping in view, inter alia, the updated RBI regulatory directives, legal position and the Fair Practice Code adopted by the Company. Such modifications shall be reported to the Board in the next meeting for information.

D. GENERAL RULES

a) No extension of loan period will be permitted in deviation of the above rules. Auction proceedings shall be completed within a reasonable timeframe in accordance with RBI directions, keeping in view protection of borrower interest and recovery of dues.

E. PART PAYMENT

a) Part payment of Principal/Interest will be accepted at any point of time up to loan closure due date as per the loan sanction. Thereafter, part payment can be allowed using discretionary powers as per delegation.

b) However, making part payments will not entitle the borrower for seeking postponement of the auction and unless the entire dues are repaid, auction of the collateral security in a loan account will be conducted as per Auction Policy irrespective of such part payments made.

F. POSTPONEMENT OF SCHEDULED AUCTION OF AN ACCOUNT

1. Requests for postponement of a scheduled auction shall not be considered generally. However, the Company may, at its discretion, permit postponement of the auction provided at least part interest dues are paid immediately and the borrower undertakes to close the loan. If the loan is not repaid, the auction will be carried out in such cases notwithstanding the remittance made towards interest/ principal.

2. In other genuine cases where the customers express their inability to service even part interest, considering the sentimental value attached by many customers to the gold ornaments, the Company may, at its discretion, accede to the requests of customers, either verbal or in writing, for postponing the auction, and grant further time for closing the loan and decide not to resort to auction immediately on the loan crossing the due date or the account becoming an NPA

provided there is no potential loss to the Company by deferring the auction. A formal approval in this regard will be obtained by the Audit Department from the Chief General Manager. A consolidated list of such accounts where auction has been postponed should be submitted to the Managing Director as on the last day of every quarter.

3. Gold ornaments pertaining to loan accounts where specific directions have been received from the authorities like Police /Court preventing auction will not be taken up for auction, though such accounts may qualify for auction as per the conditions stipulated above, till such ban is lifted.

G. AUCTION PROCESS

Compliance of all formalities required for Auction as described in the following paras shall be ensured before conducting such Auctions.

1. Overdue Loan accounts shall be identified and registered notices sent as per the timelines prescribed above. If the borrowers fail to repay the dues within the timelines prescribed, such accounts will be marked for auction. However the borrower or legal heir may redeem the pledged gold at any time before commencement of auction by paying the outstanding principal, interest and applicable charges. Upon full repayment or settlement, the pledged gold shall be released within seven (7) working days, failing which compensation of Rs. 5,000 per day shall be paid to the borrower as per RBI Directions.

2. Board approved Auctioneers or trained employees appointed at various centers shall be assigned with the Auction process.

3. Registered Auction notice with registered post AD/Speed Post/SMS/Email/Whatsapp/Delivery by Company`s personnel shall be served to all such identified borrowers giving 30 days notice period in order to ensure that sufficient time and opportunity are given to the customer for redemption and to avoid auction sale. Paper publication in a local daily in the local language (vernacular) and in another national daily in English shall be given clearly specifying the place, time and date of auction also giving time for redemption up to the close of business on the preceding date of proposed auction.

H. REFUND OF SURPLUS, RECOVERY OF SHORTFALL

a) Appropriate accounting entries should be put through in the customer loan accounts within Seven (7) working days after the full receipt of auction proceeds.

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b) Once auction of the pledged gold is completed in line with the norms of the Policy, and after receiving the bid amount, the relevant lot is settled with the successful bidder. Thereafter, the surplus from the said auction, if any, after appropriation of the outstanding loan amount, accrued interest, and permissible expenses shall be refunded to the borrower within seven (7) working days from the date of receipt of auction proceeds. Such surplus shall not be adjusted against any other loan, dues, or liabilities of the borrower unless the borrower has provided explicit consent for such adjustment or where the Company has a legally enforceable right of set-off. In the absence of such consent or legal right, the surplus shall be refunded to the borrower without delay. The remaining surplus is to be refunded to the Customer in the following manner.

i. If the Customer has already updated his/her bank details, the surplus to be refunded through NEFT.
ii. Auction surplus amounts up to Rs.3000/- can be refunded to the Customer directly from the branch through cash up to Seven (7) working days from the date of data generation as regards auction surplus payable. An SMS is also to be sent to those Customers intimating the relevant details. Such cash payment can also be done for cases where cheque for surplus has been issued and returned unclaimed and in cheque expired case.
iii. If the said amount is not released through cash or the bank details are not updated within 7 working days, Company shall issue account payee cheque favouring the concerned Customer. Intimation through SMS is also be given to those customers.
iv. If the said cheque is returned unclaimed / cheque date expired cases, the Company shall send an SMS again to the Customer for updating his /her bank details.
v. However, the Company may retain or set-off the surplus against other liabilities of the borrower only where the borrower has provided explicit consent for such adjustment or where the Company has a legally enforceable right of set-off under applicable law. Mere issuance of notice shall not, by itself, constitute a right to appropriate the surplus.
vi. Customers whose pledges have been auctioned and where the Company has incurred a loss may be subject to internal risk controls, including restrictions on future lending, based on documented risk assessment and management approval, and in compliance with the Company's Fair Practices Code and RBI guidelines.
vii. Surplus should not be adjusted against other loans without borrower's consent, except under legitimate right of set off.
viii. Recovery of shortfall shall follow RBI guidelines on fair and non-coercive recovery practices and the company's Fair Practices Code. Recovery should be pursued only after proper notice and assessment and outsource recovery only to the compliant agencies in order to avoid harassment or coercive methods.

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I. AUCTION PROCEDURE

i. Ornaments in unredeemed accounts listed for auction will be put up for sale in appropriate/convenient lots through a public auction procedure wherein the prospective bidders participating in the auction shall quote their prices over and above the minimum fixed bid price in the open auction in accordance with Fair Practice Code for Bidders participating in the Auction detailing the Terms and Conditions of Auction. An auction will be carried out provided minimum 3 bidders are available as participants.

Recapita Finance and its group companies or related parties will not participate in auctions. Auctions will be conducted by board empanelled auctioneers or trained employees; first auction shall mandatorily be held physically in the same district where the loan was granted; if unsuccessful, a subsequent auction may be conducted online or in adjoining district.

ii. The auction of unredeemed gold will be conducted in the same branch from where the customer has availed the loan by pledging gold, giving an opportunity to the customer also to participate in the gold auction. In case of auction at branches, the respective Branch Managers will be authorized by the Board approved auctioneers to conduct the auction on his behalf subject to following conditions.

a. 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.

b. 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.

c. 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 (H-1) 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, further extension of time up to a maximum period of 7 more days for remitting the amount may be allowed. If the bidder fails to remit the amount within the stipulated period, his bid will be treated cancelled.

d. 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, the authorised members by board may, at its 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

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cancelled and steps will be initiated for conducting a fresh auction of the gold following all the procedures like sending of notices to the borrowers, publication of notice in the Newspapers etc.

iii. In case of auctions scheduled at branches, the following records shall be maintained irrespective of whether auctions were conducted or not. Such records should be authenticated by the Branch Manager as authorized representative of the Approved Auctioneer:
   a. Details of auction participants.
   b. Minutes detailing the auction proceedings.

iv. In case of sale by auction conducted at branches/auction centers, the following registers/records also have to be maintained in addition to the above
   a) Bid register indicating the bid rate of all bidders
   b) Sales Invoice
   c) Detailed auction record

v. All the records maintained at the auction center should be authenticated by the Board Approved Auctioneer or his authorized representative who conduct the auction.

vi. In case the auction could not be conducted at the branch on the scheduled auction date due to any reasons like lack of minimum number of bidders etc. then the branch will display in the branch notice board, the address of the centralized location where the next auction will be carried out subsequently with date of subsequent auction and the gold items will be lifted to the centralized location within the same District in which the loan was extended where the same will be sold through public auction. The auction notice and paper advertisement will clearly specify both the locations and the respective dates of auction. Auction will take place on the date specified in the newspaper or on subsequent dates.

J. CONDUCT OF AUCTION BY ON-LINE MODE [E-AUCTION]

Apart from the auctions in the manual mode as described above, auctions shall also be conducted on online platform [e-auction] provided by reputed service providers who are already in this line of activity. A brief description of the online platform is given below:-

1. Online auction process shall be resorted to after physical auction at respective branches and conducted branch-wise by complying with all statuary regulations

2. Final notices/ newspaper advertisements will be done by our Company as before

3. Minimum bid price as prescribed by RBI shall be complied with in online auction also.

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4. We expect more bidders to participate in auction process.

5. All auction related documents can be downloaded from system itself

6. Date and time of auction will be announced minimum 14 days in advance. In case the auction could not be conducted on the date announced, it will be conducted on subsequent days the details of which will be displayed in the branch concerned and in the website.

7. Auction gold will be put up for sale in appropriate/convenient lots

8. Auction shall be live on the scheduled date with minimum expected price provided by or Company.

K. FIXATION OF MINIMUM BID PRICE

Minimum bid price for each lot shall be fixed based on the following:-

a) Prevailing market price of gold based on the rates published by the Indian Bullion and Jewellers Association Ltd.
b) Total dues to be received in the loan account which includes advance and interest up to the date of auction and other charges levied and recoverable.
c) General quality of the gold (In case the ornaments are found to be having purity of less than 22 carat, the company will have the discretion to quote a lesser floor price for the lot.)
d) While auctioning the gold the **Reserve price** shall be not less than **90 %*** of the current value of the pledged gold (lower of 30 day average or previous day Indian Bullion and Jewellers Association Ltd (IBJA)/ Securities and Exchange Board of India (SEBI) price adjusted for purity) in accordance with the RBI (Lending Against Gold and Silver Collateral) Directions, 2025. Only after two failed auctions may the reserve price is reduced to **85 %**. This valuation excludes stones/gems and records the valuation in a certificate given to borrower.
e) The bid shall be confirmed in favor of the bidder making the highest bid. In the eventuality of the bidders ganging up or forming a cartel for taking undue advantage etc., the right for cancellation and postponement of the auction, to another date/Centre shall be exercised by the Company.

**In case of any inconsistency, the provisions of product-specific RBI directions shall prevail.*

L. REFUND OF EMD

a) In case of successful bidders, EMD shall be refunded within 10 days from date of remittance of total bid amount.
b) In case of non-successful bidders, EMD shall be refunded within 10 days from date of auction.

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M. DOCUMENTS MAINTAINED & DISCLOSURES AT BRANCHES

Record of the auction proceedings authenticated by the Branch Manager, who is authorized by the approved auctioneer to conduct the auction process.

At the Auction Centers

a) Postal Receipts for Registered Auction notices issued to borrowers.

b) Postal acknowledgement from borrowers and Auction Notices returned undelivered.

c) Copies of the News Paper Auction Publications.

d) Details of Auction Participants.

e) Details of Auctioned items and Bidders where the details of bid price of all bidders will be recorded and the last bid price of all bidders will be recorded and authenticated by the board approved auctioneer.

f) Sales Invoices

g) In the annual reports the details of the auctions conducted during the financial year must include in a tabular format (a) number of loan accounts where auctions were conducted; (b) total gold/silver auctioned; (c) recovery through auctions; (d) amounts of surplus refunded and shortfall recovered. Also submit half yearly report on unclaimed collateral to the board and whether any of its sister concerns participated in the auction should be disclosed.

h) Post auction, customers will be intimated the details such as the price fetched in the auction, total dues adjusted from the proceeds balance amount payable to/by him etc. Wherever refunds are involved the amount will be sent by account payee cheque at the address in the pledge letter.

i) Details of **Loan agreements** and **Key Fact Statements** which includes details of auction procedure, triggers, notice period and charges.

Further Assay certificate with purity, gross/net weight, image, value and deductions should also be prepared in duplicate - one copy kept with loan file and one given to borrower and Internal auditors should periodically verify pledged gold, record surprise checks and report to Audit & compliance department.

Unclaimed gold (lying beyond two years after settlement) should be reported half yearly to the board.

Refund of auction surplus to customers and further follow up

1. The entire auction surplus will be held in a separate ESCROW Bank account. The surplus amount, on completion of each auction process, will be transferred to this account immediately on receipt of the auction proceeds.

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2. The auction surplus will be credited to the Bank accounts of the respective borrowers within 7 working days of receipt of the auction proceeds and in cases where the bank account details are not available, the following procedure will be followed:

a) For loans below Rs. 20,000, the refund will be effected through "Account Payee" crossed cheque / DD which will be sent to the last known mailing address of the customer by registered post within 7 working Days of receipt of the auction proceeds wherever bank accounts are not mapped.

b) In cases where the cheque is not presented for clearance within the validity date , but in the meantime the customer approaches the Branch personally, the Branch will be authorized to refund an amount up to Rs. 5000/- in cash after obtaining prescribed documents/acknowledgements. The cheque in such cases will be cancelled and the Bank informed accordingly.

c) If the amount of refund in such cases is more than Rs.5000/-, the Bank account details will be collected from the customer and the amount credited directly to his Bank account. JGM Audit is permitted to make payments upto Rs.10,000/- in cash on exceptional cases and such deviation shall be submitted to next Board/audit committee, for their approval.

d) Surplus amount may be credited to the borrower's active gold loan account only with explicit borrower consent or under a legally enforceable right of set-off.

e) An SMS message intimating about dispatching the cheque will be sent to all customers concerned immediately

f) 20 days after dispatching the cheque, an OBD call in local language will be made to customers exhorting them to encash the cheque

g) In cases where the cheques are not encashed even after the above steps Branch Managers shall get in touch with the customers either telephonically or in person

h) If the cheques are not presented by the customers in spite of the SMS / OBD calls/ personal contacts, further follow up shall be made as follows:

   i. In case where the cheque have been delivered to customers and have become stale due to non-presentation within validity date, cheques will be reissued and mailed to customers and same follow up procedure as above will be followed.
   ii. In cases where cheques are returned to branches undelivered due to reasons like "addressee not available" indicating his temporary absence, or "incorrect/insufficient

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address", Branch will try to establish contact with the customer through phone call / personal visits and assist him to encash the cheque.

iii. In case the cover is returned undelivered due to reasons like "addressee left" "not traceable "etc., efforts will be made to locate the customer by making local enquiries and handover the cheque to him.

N. EMPANELMENT OF AUCTIONEERS, COMMISSION, ROLES AND RESPONSIBILITY

(i) Auction can be carried out only through auctioneers empaneled by the company, as approved by the board of directors. Ensure that the board approves list of auctioneers which include all the relevant due diligence criteria (experience, integrity, independence, regulatory compliance) as per RBI regulations.

(ii) In the case if auctioneers are not available for auction, Company can authorize any of its senior officials who have expertise in auction related jobs to carry out the duty of auctioneer for the specified auction. Where senior officials /employees conduct auctions, they must be trained and should qualify the independence criterias to detect collusion. Prohibit the officials who have conducted loan appraisals from acting as auctioneer for mitigating conflict of interest risk.

O. AUCTION OF ASSETS OTHER THAN GOLD

In the event of the Company resorting to auction of any assets other than gold for appropriating the proceeds towards the dues from a borrower, wherever warranted, all the proper legal processes like filing of suit for taking possession through execution of decree and selling it through an auction will be followed

P. CUSTOMER GRIEVANCE REDRESSAL

The Company has an internal grievance redressal mechanism for addressing customer complaints relating to auction of pledged gold jewellery, including issues concerning auction notice, valuation, reserve price, and conduct of auction, appropriation of sale proceeds and refund of surplus, if any. Customers may first approach the branch where the loan was availed, and if not satisfied, escalate the complaint to the Company's Grievance Redressal Officer at the Head Office-

Name	CS Anshita Khare
E-Mail ID	grievanceofficer@recapitafinance.com
Designation	Grievance Officer
Contact Details	0755-4923303/9109915411/9479395261
Office Address	10, Amaltas, Phase-1, Chunabhatti, Kolar Road, Bhopal, Madhya Pradesh- 462016

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Followed by the designated nodal officer. Auction-related grievances shall be acknowledged promptly and resolved within a reasonable timeframe, not exceeding 15 working days. In case the complaint is not resolved to the customer's satisfaction, the customer may approach the Reserve Bank of India through the Complaint Management System (CMS) under the Integrated Ombudsman Scheme. The contact details of branch-level officials, the Grievance Redressal Officer and the Nodal Officer, shall be disclosed at branches. All auction-related grievances, actions taken and resolution status shall be recorded and a quarterly summary shall be placed before Senior Management and the Board for review, in line with the Fair Practices Code and RBI customer service requirements.

Q. REVISIONS OR DEVIATIONS IN THE ABOVE POLICY

1. The following members are authorized to examine case and permit deviations from the above policy selectively or wholly or for a particular period of time as deemed fit.
2. Members:
   a) MANAGING DIRECTOR
   b) CHIEF EXECUTIVE OFFICER
   c) AUDIT & COMPLIANCE HEAD
   d) HEAD-RISK,CREDIT& CONTROL
3. Besides, Head of Internal Audit Department are authorized to allow deviations in individual cases selectively or wholly on the above procedures, provided the loan is within 15 months from the loan sanction date

Amit Jain
(Managing Director)
DIN- 07632009

RECAPITA FINANCE PRIVATE LIMITED
BHOPAL
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