GEO VPL FINANCE LIMITED

Auction Policy

GEO VPL FINANCE LTD.
Thoppumpady
Pin-682005

AUCTION POLICY

REGULATORY REQUIREMENTS

This Auction Policy has been made pursuant to the guidelines issued by the Reserve Bank of India vide Chapter III (G) of the Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Responsible Business Conduct) Directions, 2025 dated November 28, 2025.

A. Auction

The term "Auction" used in the policy shall mean realization of the security through Public Auction only.

B. Organization Structure for Auction Proceedings

The Company shall have a dedicated Auction Department at the Head Office to take care of the auction procedure as per the approved policy. The Department will function under the overall control of the Auction Manager.

C. Appraisal of Gold

The Gold pledged with the Company is verified/ examined/ scrutinized by a gold smith/appraiser exclusively reserved for this purpose and the respective gold loan is disbursed to the borrower based on his expert review. The appraised gold shall be subject to reappraisal.

D. Auction after completion of tenure of the loan:

Auction process must begin in respect of all accounts on completion of the tenure of the loan on which interest due has not been paid in full or where the account has not been repaid.

The Managing Director of the company will have the power to adjourn the auction on recommendation of the Department Head, in Accounts, where at-least 50% of the interest due has been paid.

An auction can also be deferred at the request made by the borrowers on reasonable ground which the Managing Director deems fit for consideration.

E. Auction before completion of tenure of the loan:

1. Auction department shall regularly monitor the realizable value of the gold pledged and

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in any instance where the realizable value of the gold is less than the loan outstanding, such accounts shall be taken up for auction even before the completion of the tenure of the loan with adequate notice served upon the borrower.

2. At the time of reappraisal, accounts in which the pledged ornaments have been detected with low quality/more than the stone weights deducted at the time of issue of loans may be taken up for auction before the completion of the loan tenure with prior notice.

3. In normal course the branch will ascertain the purity of the collateral security (Gold) before sanctioning the loan, but due to misjudgment at the time of sanction of the loan, there could be a chance that the collateral security (Gold) is of low quality.

4. At the time of such re-appraisal if the realizable value falls below the initial appraised value of the pledged gold the borrower will be intimated by way of notice giving a time of 15 days to settle the loan account. If the loan remains unsettled after issuance of the aforesaid notice, that loan account shall be included for auction.

F. Selection and Approval of Auction Centers, Safe Custody, Security Arrangements

Auction Centre shall be finalized in line with the regulatory norms/ directions and internal guidelines of the company which shall be in compliance with RBI/statutory norms.

The first auction shall be conducted physically in the same district in which the lending branch is located. However, in case of failure of first auction, the same may be conducted in an adjoining district.

Physical transfer of gold from various branches to the Auction Centre shall be carried out in line with regulatory directions which shall be subject to modification from time-to-time. The modes are detailed below;

Mode A: Authorised Officer of the company may collect the auction packet as and when they visit branches under their control and pool the packets in his Station branch and keep it in the safe custody of the Authorised Officer. On the auction day, they may transfer the packets to the auction center. The mode of transport, timing, fixation of limit and number of officials to accompany will be decided based on the quantity and approval from the corporate office.
Mode B: Setting up a dedicated auction team for receiving auction packets from branches on a specified date given by the corporate office. Verification, lot creation and grading shall be done by the auction team as and when the packets are received and kept the same on joint custody of Auction team and authorized officer concerned.

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G. Authorization for Auction of Gold

The Auction department will finalize the list of accounts selected for auction and ensure that the list is intact, complete and in compliance with the approved Auction Policy.

H. Mode and Periodicity for Sending Notices, Intimation to the Borrower -

The company will inform the due amount to the borrowers through telephonic calls and SMS.

After the due date, a Notice in Local Language shall be sent to defaulting borrowers requesting them to settle the loan accounts within 7 days of receipt of the Notice. A copy of the notice and acknowledgement thereof shall be kept on record in both scenarios. In case the Company is unable to locate the borrower(s)/ legal heir(s) despite best efforts and even after issuance of a public notice, i.e, advertisement, it may proceed with the auction, provided that a period of one month has lapsed from the date of the public notice.

Once the Auction is finalized, a final notice in local language shall be sent to all borrowers in the auction list furnishing the date, time & venue of Auction at least 15 days prior to Auction by registered post with AD requesting the borrower to settle the loan accounts, failing which, the security would be liable to be put on Auction without further notice, for recovery of the dues.

When such letters are returned undelivered intensive action should be taken to locate the borrower, reconfirm the KYC documents and re-evaluate the security. The responsibility for ensuring the compliance would be with the concerned branches.

The unopened, undelivered letters (letter returned undelivered cases), as applicable, should be preserved and systematically stored for easy future retrieval.

The responsibility for ensuring the compliance with the above policy guidelines shall vest with the respective authorized officer as suggested by the Company.

I. Public Notification/Advertisement

The auction will be announced to the public by issue of advertisement in at least two newspapers, one in vernacular language and another in a national daily at least 20 calendar days before the scheduled auction date. Copy of the auction advertisement shall be displayed in the branch and compliance of which must be ensured by the respective Cluster Managers.

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J. Preparation of Auction Lots, Appointing Auctioneer and Reserve Price fixation

The gold taken up for auction will be segregated into appropriate lots to facilitate disposal based on purity of gold.

The Board of Directors appoints one Auctioneer from the approved panel of Auctioneers.

The reserve price for the pledged ornaments shall not be less than 90 per cent of the previous 30 day average closing price of 22 carat gold as declared by the India Bullion and Jewellers Association Ltd. (IBJA) and value of the jewellery of lower purity in terms of carats shall be proportionately reduced.

Provided that in case auctions fail twice, a reserve price not less than 85 per cent of its current value shall be adopted.

K. Due diligence on Participants, Earned Money Deposit (EMD)

Proper and acceptable documents (Aadhaar card/Passport and PAN Card) for identification of the participants in an auction should be obtained before permitting them into the auction hall.

Proper KYC documents (Aadhaar card/Passport and PAN card) shall be submitted by each participant. If the participant is representing a Co/firm, proper authorization, copy of registration and PAN card of the company shall be submitted to participate in the auction in addition to the participants KYC documents.

The company or any of its related entities shall not participate in the auction, further, there shall be an arm's length relationship in all transactions during the auction including with group companies and related entities.

A reasonable amount of EMD should be insisted upon from every participant on such date as maybe decided by the Board of Directors from time-to-time.

L. Mode of Payment by Successful Bidders & Delivery of Gold to Successful Bidders

A minimum percentage of the bid amount as decided by the management from time to time including the EMD lying with the Auctioneer shall be insisted upon from the successful bidders on the date of the auction itself. Successful bidders should be given a letter in a pre-approved format along with the terms and conditions. The balance shall be payable within 48 hours from the date of auction. Delivery of gold to successful bidders should be made only after confirmation of full receipt of payment or realization of cheque / draft along with taxes due. Proper acknowledgement by the bidder for receipt of gold, in a format duly approved, with

GEOVPL FINANCE LTD. Thoppumpady Pin-682005 * the signature duly verified by an officer of the Company should be ensured.

M. Refund of Surplus / Instance of Deficit

Appropriate accounting entries should be put through in the borrower loan accounts within 5 working days after the full receipt of auction proceeds.

Surplus, if any, arising in individual accounts should be refunded to the borrower/legal heir(s) within 7 working days from the date of auction through transfer or a cheque with a covering letter detailing full details of the value fetched in the auction and the outstanding dues (principal plus interest, any other expenses ancillary or incidental to effect legal auction) adjusted and any amount left be remitted to the borrower.

In cases where the cheque is not presented for clearance within the validity date, but the customer approaches the Branch personally, the Branch will be authorized to refund an amount up to Rs. 10,000/- in cash after obtaining prescribed documents/acknowledgements. The cheque in such cases will be cancelled and the Bank informed accordingly.

If the amount of refund in such cases is more than Rs.10,000/-, the Bank account details will be collected from the customer and the amount credited directly to his Bank account.

However, a rightful lien on such surplus may be retained, adjusted/settled against other loan accounts of the borrower, subject to proper notice, in case the borrower has other unsettled liabilities to the Company.

The post-auction notices will be forwarded to all the borrowers whose sale proceeds were in deficit with full details of the value fetched in the auction and the balance dues still outstanding on the loan.

Legal action for recovery of shortfall in individual accounts may be considered where required and justified after a cost-benefit analysis is done and the same shall be with the approval of the Managing Director.

N. Re-auction of Gold Ornaments Not Successfully Auctioned (Normal Gold / Spurious or Low-Quality Gold)

If the gold ornaments find no bidders at the reserve price the course of action as under should be adopted:

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a) The Auctioneer shall submit in writing that no bid was made at the reserve price fixed due to the poor quality of gold or difficulty in assessing the correct purity. This shall be certified by the Company's official in charge of overseeing the Auction.

b) Such gold ornaments shall be taken up for melting, either in-house or through a reliable outside agency, in the same lots as taken up for auction. Internal Auditor of the Company shall remain present during the melting activity who will also verify accordingly in a register to be maintained for the purpose.

c) The melted bars shall then be assayed for purity and put up for auction in such form with a fresh reserve price fixed.

d) Compliance with the above steps shall be periodically subject to internal audit at intervals not exceeding 1 calendar quarter.

O. Maintenance of registers / records

All registers and records mandatorily required under law and as per instructions issued by the Company shall be properly maintained and updated under the safe custody of the Auction Department and subject to periodical internal audit.

P. Disclosures

The Company shall disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

Q. Tax, Cost and Expense

Applicable tax, cost and any other expense incurred by the Company including GST borne by the Company relating to the auction of the respective accounts shall be recovered from the said auction amount before refunding the surplus amount to the borrower.

R. Amendment

The management reserves its right to amend or modify the policy in whole or in part, at any time.

S. Review of Auction Policy

The Policy will be reviewed on an Annual Basis.

For Geo VPL Finance Limited

Pradeesh Lawrence
Managing Director
DIN : 00152313

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