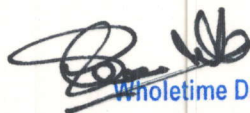




**AUCTION POLICY**

- a. The auction should be conducted in the same town or taluk in which the branch that has extended the loan is located.
- b. While auctioning the gold the company should declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments should not be less than 85% of the previous 30 day average closing price of 22 carat gold as declared by The Bombay Bullion Association Ltd. (BBA) and value of the jewellery of lower purity in terms of carats should be proportionately reduced.
- c. The company should provide full details of the value fetched in the auction.
- d. The amount received after adjusting the outstanding dues should be payable to borrower if the amount exceeds the outstanding loan amount.
- e. Company must 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.
- f. Transparent auction procedure should be followed in case of non-repayment of the loan amount. 14 days prior notice should be dispatched to the address registered with the company.
- g. There should be no conflict of interest and the auction process must ensure that there is arm's length relationship in all transactions during the auction including with group companies and related entities.
- h. The auction should be announced to the public by issue of advertisements in at least two newspapers, one in vernacular language and another in national daily newspaper.
- i. The company themselves should not participate in the auctions held.
- j. Gold pledged will be auctioned only through auctioneers approved by the Board.
- k. The loan agreement shall also disclose details regarding auction procedure.
- l. Any fraud in connection with auction shall be enquired and suitable actions will be taken by the company.

For KLM Axiva Finvest Ltd.

  
Wholetime Director

