SHRIKANT GOLD FINANCE
BY LORD FINCAP LIMITED

LORD FINCAP LTD.

GOLD LOAN POLICY

Board Approved Policy | Lord Fincap Limited

Lord Fincap Limited (the "**Company**") has formulated this policy, setting out the framework governing the sanction, disbursement, administration, monitoring, renewal and recovery of loans against the collateral security of gold jewellery, ornaments and coins for meeting the short-term financing needs of borrowers ("**Gold Loan Policy**" or the "**Policy**") and is adopted pursuant to, and in compliance with the applicable laws issued by the Reserve Bank of India ("**RBI**").

1. Objectives

The objective of this Policy is to foster prudent lending practices, ensure transparency, protect customer interests, strengthen risk management by setting out the eligibility criteria, valuation method, loan-to-value limits, storage standards, auction process, customer disclosures, compensation obligations, governance controls, and grievance handling framework for loans secured against gold coins, jewellery and ornaments.

2. Scope

This Policy applies uniformly to all branches, employees, officers of the Company engaged in sanction, valuation, storage, monitoring, renewal, auction, release, or recovery actions relating to loans secured by gold collateral. It covers loans against gold jewellery, ornaments and coins, and excludes prohibited forms of collateral and prohibited conduct under law.

3. Definitions

For the purposes of this Policy, unless the context otherwise requires or unless otherwise defined or provided for herein, the following capitalized terms shall have the meanings set out below:

"**Board**" or "**Board of Directors**" shall mean the board of directors of the Company;

"**Consumption Loan**" means a loan not classified as income-generating under the RBI framework.

"**Eligible Collateral**" means gold jewellery, ornaments, or coins accepted in pledge by the Company, subject to RBI norms.

"**Gold Loan**" means the loan advanced by the Company against the Eligible Collateral.

"**Grievance Redressal Officer**" shall mean the grievance redressal officer of the Company.

"**KYC**" means know your customer.

"**LTV Ratio**" on a day means the ratio of the outstanding Gold Loan amount to the value of the Pledged Collateral as on that day calculated in the manner prescribed by RBI.

"**Pledged Collateral**" means the Eligible Collateral that has been pledged with the Company for purposes of obtaining a Gold Loan in accordance with this Policy and the RBI directions.

"**Primary gold**" means bullion or raw precious metal, which shall not be accepted as Eligible Collateral as prohibited by RBI directions.

4. Product

The Company shall, under the brand name 'Shrikant Gold Finance' or 'SGF' ("**Brand**"), extend Gold Loans only against pledge of Eligible Collateral and only to customers who satisfy KYC, customer due diligence, and internal credit assessment requirements, to meet the short term and medium term financial requirements of borrowers, including:

(a) Working capital requirements;
(b) Business expansion;
(c) Personal liquidity requirements;
(d) Domestic need; and
(e) other lawful purposes.

The Company shall not discriminate in extending Gold Loan facilities on grounds of disability, gender, race or religion, and shall provide reasonable assistance to physically or visually challenged applicants. Gold Loans shall not be granted for speculative, unlawful or prohibited purposes.

Further, Gold Loans shall not be granted for purchase of gold or gold-backed financial products and against gold collateral already pledged to another lender.

It is clarified that the Brand ('Shrikant Gold Finance' or 'SGF') is solely a marketing and product identity of the Company and does not constitute a separate legal entity, lender or person distinct from the Company. The Company shall remain the sole lender and contracting party in respect of all loans offered or provided under the Brand.

5. Acceptable Eligible Collateral

The Company may accept:

(a) Gold jewellery and ornaments;
(b) Gold coins.

The maximum aggregate weight of gold ornaments/jewellery pledged by a single borrower across all lenders (including the Company) is 1 (one) kilogram, and the maximum gold coins accepted from a single borrower is 50 (fifty) grams.

The Company shall not accept collateral that is prohibited under RBI directions, including forms of primary precious metal where not permitted, or assets with doubtful title, prohibited ownership, or improper provenance, Primary Gold, bullion, melted bars, or financial assets backed by Primary Gold.

6. Application of Gold Loans and their process:

(a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
(b) Gold Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other non banking financial companies can be made and informed decision can be taken by the borrower.
(c) The Company's Gold Loan application form shall indicate the documents required to be submitted along with the application form.
(d) The Company shall collect all necessary personal information from the customer only with prior customer consent.
(e) The Company shall issue an acknowledgement for receipt of all Gold Loan applications. The timeframe within which Gold Loan applications will be disposed of shall also be indicated in the acknowledgement. Subject to receipt of all the requisite documentation and information, Gold Loan applications shall be disposed of within 30 (thirty) days, from the date of receipt of the application form complete in all respects. The Company will endeavour to keep the customer/ applicant informed with regard to the status of his/her/its application from time to time. The customer may also contact the Company's customer service team at the toll-free number or email ID made available at partner branches, the head office, the website, and any other location where the Company conducts its business to obtain an update on the status of application.
(f) If any additional details/ documents are required, the same shall be intimated to the borrowers at the earliest.

7. Valuation and Assaying

7.1. Valuation of the Eligible Collateral shall be based on intrinsic metal value, taking account of actual purity, gross weight, net weight, and permissible deductions, and shall use the reference price methodology prescribed by RBI. No value shall be attributed to stones, gems, pearls, or other embedded materials.

The borrower shall be informed of the purity, deductions, net weight and final value assessed, and an assaying certificate ("**Gold Assay and Valuation Certificate**") shall be issued and retained in the Gold Loan record.

7.2. Reference Price

The reference price shall be the lower of:

(a) Average closing price for the preceding 30 (thirty) days published by India Bullion and Jewellers Association Limited ("**IBJA**") or Securities and Exchange Board of India ("**SEBI**") -regulated commodity exchange;

(b) Previous day's closing price published by IBJA or SEBI-regulated commodity exchange. Where price for specific purity is unavailable, nearest available purity rates may be proportionately adjusted; or

(c) Or any such price as stipulated by RBI.

7.3. Assaying Procedure

(a) Assaying shall be conducted in the presence of the borrower.

(b) Deductions for stones, fastenings, and foreign materials shall be explained to the borrower.

(c) Details shall be recorded in the purity certificate/ Gold Assay and Valuation Certificate.

8. Board Approved Credit Policy Parameters

The Board approves the following credit policy parameters for Gold Loan.

Single borrower limits and aggregated portfolio limits, are as follows:

(a) Maximum aggregate exposure to a single borrower against gold/silver collateral is INR 2,00,00,000 (Indian Rupees Two Crores only), or such lower limit as may be prescribed by the Board/RBI from time to time.

(b) Maximum aggregate limits for the portfolio of Gold Loans against Eligible Collateral is INR 2,00,00,000 (Indian Rupees Two Crores only), subject to the limits prescribed by the RBI.

(c) Maximum aggregate weight of gold ornaments pledged by a single borrower across all lenders (including the Company): 1 kilogram of gold ornaments/jewellery.

(d) Maximum gold coins accepted from a single borrower: 50 grams of gold coins.

9. Gold Loan Sanction and LTV Ratio

9.1. The sanctioned Gold Loan amount shall always remain within the RBI-prescribed LTV Ratio limits applicable to the product and borrower category. The Company shall not disburse or renew any Gold Loan in a manner that causes the account to breach the prescribed LTV Ratio thresholds as mentioned below:

Sr. No.	Total Consumption Loan amount per borrower	Maximum Loan to Value Ratio
1.	Loan amount INR 2,50,000 or lesser	85%
2.	Loan amount INR 2,50,000 to INR 5,00,000	80%
3.	Loan amount more than INR 5,00,000	75%

9.2. The Company shall furnish a copy of the Gold Loan agreement in language as understood by the borrower along with a copy of each of the enclosures quoted in the Gold Loan agreement to all the borrowers at the time of sanction / disbursement of Gold Loans. The Company shall mention the penalties charged for late repayment in bold in the Gold Loan agreement. To ensure transparency, the terms and conditions of the Gold Loan agreement shall also contain provisions regarding:

(a) Notice period before conducting auction of the Pledged Collateral;
(b) Circumstances under which the notice period can be waived;
(c) The procedure for conducting auction of the Pledged Collateral;
(d) A provision regarding final chance to be given to the borrower for repayment of Gold Loan before the sale/ auction of the Pledged Collateral;
(e) The procedure for giving repossession the Pledged Collateral to the borrower; and
(f) The procedure for sale/auction of the Pledged Collateral.

The Company shall have a built-in re-possession clause in the Gold Loan agreement with the borrower which must be legally enforceable.

9.3. The borrower shall ensure the aggregate outstanding does not exceed the LTV Ratio, determined at the time of sanctioning the Gold Loan, at all times. On breach, without prejudice to the right to declare an event of default/ or right to sell the Pledged Collateral (in whole or part) and/ or require accelerated part payment from the borrower and/ or exercise any other right or remedies available with the Company hereunder or under any applicable law, the borrower shall, within 7 (seven) days of a notice from the Company in this regard, deposit with the Company, such additional security, as may be required. In addition to any general lien or similar right to which the Company or Company's affiliates may be entitled by law, the Company may at any time and without notice to the borrower, combine or consolidate all or any of the borrower's accounts to recover the liabilities towards the Company and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the borrower's liabilities to the Company on any other account or in any other respect, whether such liabilities be actual or contingent, primary or collateral and several or joint.

10. Disbursement

10.1. The Gold Loans shall generally be disbursed directly into the borrower's bank account.

10.2. The Company shall comply with the:

(a) RBI's KYC directions; and
(b) Income Tax Act, 2025.

10.3. Gold Loan transfers shall be made to borrower's account and not to a third party accounts, unless:

(a) Disbursals covered exclusively under statutory or regulatory mandate (of RBI or of any other regulator);
(b) Flow of money between lenders for co-lending transactions; and
(c) Disbursals for specific end use, provided the loan is disbursed directly into the bank account of the end-beneficiary.

11. Storage and Security

All Pledged Collateral shall be packed securely along with the weight slip and shall be stored in secure vaults or other approved secure storage facilities under strict access control.

Branches shall maintain dual-control access, inventory registers, CCTV surveillance or equivalent monitoring, and periodic physical verification.

Movement of collateral between branches or storage locations shall occur only under documented procedures, with proper handover records, approvals, and reconciliation controls.

Further, handling of the Pledged Collateral shall be done by authorized employees only.

The Company may maintain adequate and appropriate insurance commensurate with the value and risk exposure of the Pledged Collateral held in its custody at its relevant branches, against burglary, fire, natural calamities or such other risks the

Company may decide to insure against. The detailed scope of coverage, limits, deductibles, security conditions and other insurance requirements shall be governed by the applicable insurance policy, internal procedures and risk-management framework of the Company.

12. Monitoring and Review

The Company shall monitor each loan account for repayment behaviour, maturity dates, LTV Ratio compliance, renewal conditions, and signs of distress.

13. Renewal, Top-up and Re-pledge

Renewals or top-ups may be permitted only where allowed by RBI, subject to eligibility of the account, compliance with applicable conditions by the borrower, and the resulting exposure remaining within approved limits according to the Company's internal controls. The Company shall not permit any re-pledging or other transaction prohibited by RBI directions.

14. Auction and Realisation

If the borrower fails to repay in accordance with the Gold Loan terms, the Company shall send reminders through SMS, notices/ registered notices at frequencies stipulated by the Company. If the default persists even after such reminders, the account becomes eligible for auction under the Company's recovery process, and the Company shall issue notices, and provide adequate opportunity to regularize the default. Thereafter, the Pledged Collateral will be auctioned after giving a minimum of 14 (fourteen) day's prior notice by way of an auction notice sent by an authorized auctioneer. The auction will be announced to the public through advertisements published in at least 2 (two) newspapers (one in vernacular language and one in national daily newspaper). The Company, its group companies and its related entities will not be allowed to take part as a bidder in auction to ensure that there is an arm's length relationship in all transactions during the auction process. The borrower has the choice to participate in the auction process in compliance with the conditions stipulated by the Company/ auctioneer.

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, the Company may proceed with the auction, provided that a period of 1 (one) month has lapsed from the date of the public notice.

The Company shall conduct the auction strictly in accordance with RBI directions. 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 Company may conduct the auction in an adjoining district or conduct online auction. Reserve price declared for the gold collateral at the time of auction, shall not be less than 90% (ninety per cent) of its current value. In case auctions fail twice, a reserve price not less than 85% (eighty five per cent) of its current value shall be adopted.

After the auction, Company shall provide full details of the value fetched at the auction net of auction related expenses and incidental charges and the dues adjusted to the borrower(s) / legal heir(s). Surplus proceeds, if any, shall be refunded to the borrower within no longer than 7 (seven) days from the receipt of the full auction proceeds, after adjustment of dues and expenses as permitted by law. The Company shall recover shortfall, if any, as per terms of the loan agreement by resorting to various steps including legal action.

15. Release of Pledged Collateral

Upon full repayment or closure of the Gold Loan account, Pledged Collateral shall be released on the same day and in any event within 7 (seven) working says upon full repayment of the Gold Loan.

The Pledged Collateral shall be verified for correctness as per details in the pledge form and certificate of purity to the borrowers' satisfaction.

Where the borrower(s) /legal heir(s) has not approached the Company for release of Pledged Collateral after full repayment or settlement of Gold Loan, we shall issue periodic reminders to borrower(s) / legal heir(s) through letters, email or SMS if the email and mobile number are registered with the Company.

The Company shall obtain acknowledgement from the borrower or authorised representative at the time of release and retain proof of closure and delivery. Alternatively, the Company may issue a release letter affirming that the Pledged Collateral has been released to the borrower, and the borrower has taken possession of the same. Release, whether partial or in full can be done only after verification of signature, original KYC documents and customer copy of the original pawn ticket/ gold pledge card. The Company may undertake biometric authentication and OTP authentication by customer for release of Pledged Collateral is in place as an additional measure to ensure the Pledged Collateral is released to the same person who has pledged the gold. If gold pledge card is lost, indemnity in stamp paper of required value to be obtained before release of the Pledged Collateral. In case the customer is deceased, the Pledged Collateral will be delivered to the legal heirs as per the procedure that many be stipulated by the Company for settlement of deceased loan accounts or internal controls of the Company.

16. Unclaimed Pledged Collateral

The Pledged Collateral lying with the Company beyond 2 (two) years from the date of full repayment or settlement of the Gold Loan shall be treated as unclaimed. Periodic special drives to ascertain the whereabouts of the borrower(s) / legal heir(s) in respect of such unclaimed gold collateral shall be undertaken. A report on unclaimed gold collateral shall be put up to the Board, at half-yearly intervals for a review.

17. Compensation for Delay or Loss

Where the release of Pledged Collateral is delayed beyond the prescribed period due to reasons attributable to the Company, compensation of INR 5,000 (Indian Rupees Five Thousand only) per day beyond 7 (seven) working days shall be payable. If the delay is not attributable to the Company, the Company shall communicate reasons for such delay to the borrower(s) / legal heir(s).

Where Pledged Collateral is damaged, lost, or otherwise mishandled while in the Company's custody, the Company shall compensate the borrower suitably in the manner required under the internal compensation policy.

18. Inspection and Audit

All branches will be periodically inspected and audited by internal audit staff at intervals specified by the Company. The audit department will, at random, verify the quantity and purity of Pledged Collateral accepted by branches for pledge for Gold Loan. They will also audit various accounting procedures followed at branches and ensure that the circular instructions issued by the Company from time to time are strictly being adhered to.

As part of internal audit, Company shall carry out periodic surprise verification of the Pledged Collateral and shall maintain a record thereof. Customer consent to carry out surprise verification including assay of the Pledged Collateral even in their absence during the tenor of the Gold Loan is included in the 'Most Important Terms and Conditions'.

In the event that it is discovered during any audit subsequent to disbursal of the Gold Loan that the Pledged Collateral is of spurious or low quality, the Company shall take necessary action, including but not limited to promptly inform the borrower of such discovery, and in case the discrepancy is owning to the borrower, the Company may (a) call upon the borrower to deposit additional security; (b) require accelerated part payment from the borrower; or (c) failing (a) and (b), conduct auction of the Pledged Collateral (following the procedure laid by the Company). In any such event, consequences under paragraph 9.3 of this Policy shall apply *mutatis mutandis*.

19. Fees and Charges

All fees, charges and deductions relating to assaying, documentation, storage, auction, notice, and recovery shall be as per the Key Facts Statement and disclosed upfront to the borrower in a transparent manner. No charge shall be levied unless it is expressly permitted by law, disclosed in advance, and approved under the Company's fee policy.

20. Customer Disclosure and Fair Practices

The Company shall provide the borrower with clear disclosures regarding Gold Loan amount, tenure, interest rate, charges, LTV Ratio, assaying value, repayment obligations, auction consequences and grievance channels. All communications shall be fair, not misleading, and issued in a language understood by the borrower or otherwise appropriately explained.

21. Grievance Redressal

Complaints relating to Gold Loans shall be handled under the Company's Grievance Redressal Policy. The Company shall acknowledge complaints, attempt timely resolution, and escalate unresolved matters to the Grievance Redressal Officer. Customers shall also be informed of their right to approach RBI's grievance mechanisms, where applicable.

Grievance Redressal Officer: Ashish Gupta
Email: info@lordfincap.com **Phone:** +91-7428755033

22. Non-Discrimination and Customer Care

The Company shall not discriminate in extending products and facilities including Gold Loan facilities to physically/visually challenged applicants on grounds of disability, or between customers/borrowers on the basis of gender, race or religion. All branches of the Company shall render all possible assistance to physically/visually challenged applicants for availing of the various business facilities. The Company shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels.

23. Outsourcing and Third Parties

Any outsourced activity relating to assaying, storage, logistics, auction support, or customer servicing shall be in accordance with the applicable RBI directions for outsourcing of services by non banking financial companies, governed by a written agreement, due diligence, oversight, confidentiality obligations, and performance monitoring consistent with RBI outsourcing expectations. Outsourcing shall not dilute the Company’s responsibility for compliance, customer protection, or asset safety.

24. Internal Controls

The Company shall maintain maker-checker controls, branch-level reconciliation, vault access logs, audit trails, and exception reporting. The compliance function shall periodically review adherence to this Policy and report material deviations to senior management and the Board or its designated committee.

25. Governance and Review

This Policy is approved by the Board of Directors of the Company and shall be reviewed annually, or earlier if there is any change in law, RBI direction, business model, or risk profile. Material amendments shall also be reflected on the Company’s website, consistent with its existing practice of publishing policy updates.

Published for customer and stakeholder information. This Policy shall be read together with applicable RBI directions, the Key Facts Statement, loan documentation and other applicable policies of Lord Fincap Limited.