

HI-KLASS TRADING AND INVESTMENT LIMITED

Regd Off: 02, Shanti Kutir Building, Shivaji Road, Off M G Road, Kandivali West, Mumbai - 400067

CIN: L51900MH1992PLC066262, Website: www.hiklass.co.in

Contact: 8100121394, Email ID: info@hiklass.co.in

POLICY ON LOAN AGAINST PROPERTY (LAP)

1. Preamble

This Policy is framed in compliance with the Reserve Bank of India (RBI) Master Directions for NBFCs, and the provisions of the Fair Practices Code (FPC). The purpose is to provide a uniform framework for sanction, disbursement, monitoring, and recovery of Loan Against Property (LAP) by Hi-Klass Trading and Investment Limited i.e NBFC Company ("the Company").

2. Objectives

- To define eligibility norms and appraisal standards for sanctioning LAP.
- To ensure prudent lending in line with RBI guidelines.
- To safeguard the Company against credit, operational, and reputational risks.
- To ensure transparent, fair, and non-discriminatory practices in lending.

3. Scope

This Policy shall apply to:

- All Loans Against Immovable Property granted by the Company.
- All branches, departments, and employees involved in processing, sanctioning, monitoring, and recovery of LAP.

4. Eligible Borrowers

- Individuals: Salaried employees, self-employed professionals, and businessmen.
- Entities: Partnership Firms, LLPs, Private/Public Limited Companies, Proprietorship concerns.
- Minimum age: 21 years; Maximum age at maturity: 65 years.
- Borrowers must have satisfactory credit history and repayment capacity.

5. Eligible Properties

- Residential properties (self-occupied or rented).
- Commercial properties (shops, offices, warehouses).
- Clear and marketable title with no encumbrances.

6. Loan Amount & Loan-to-Value (LTV) Ratio

- Maximum loan amount shall be based on:
 - Market value of property (as per independent valuation).

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- Repayment capacity of the borrower.
- **LTV norms:**
 - Up to 70% for residential property.
 - Up to 65% for commercial property.

7. Tenure

- Minimum: 12 months.
- Maximum: 15 years (subject to borrower's age & risk assessment).

8. Interest, Fees & Charges

- Interest rate shall be in line with the Board-approved Interest Rate Policy of the Company.
- Interest will be charged on a reducing balance basis.
- Penal interest of 2% per month shall apply on overdue amounts.
- Processing fees, legal fees, valuation charges, and stamp duty shall be borne by the borrower and disclosed upfront.

9. Repayment

- Repayment shall be made in EMIs (Equated Monthly Instalments).
- Borrower may prepay the loan partly or fully without penalty in case of individual borrowers (housing).
- For non-individuals/commercial LAP, prepayment penalty may be charged as per RBI guidelines.

10. Documentation

Mandatory documents include (illustrative list):

- KYC documents (PAN, Aadhaar, Passport, etc.).
- Income proof (salary slips, ITR, bank statements).
- Property ownership documents (title deed, tax receipts, NOC).
- Valuation report from approved valuer.
- Legal opinion from empaneled advocate.

11. Appraisal & Sanction Process

- Credit appraisal shall include verification of income, repayment capacity, and property valuation.
- Loan applications shall pass through committee approvals.
- Sanction letters shall clearly mention loan terms, interest rate, tenure, fees, and charges.

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12. Monitoring & Recovery

- Regular monitoring of repayment performance through MIS.
- Reminder notices for overdue accounts.
- Recovery action in line with RBI's Fair Practices Code.
- Enforcement of security under applicable laws, including SARFAESI (where eligible).

13. Prudential Norms & Compliance

- Asset classification and provisioning shall be in line with RBI Prudential Norms.
- Income recognition shall follow RBI guidelines.
- Exposure limits and risk management shall be as per Company's Credit Risk Policy.

14. Customer Service & Grievance Redressal

- Borrowers shall be given a copy of the loan agreement, sanction letter, and repayment schedule.
- Grievances shall be addressed by the Grievance Redressal Officer as per the Company's FPC.

15. Review of Policy

This Policy shall be reviewed annually by the Board or earlier if required due to regulatory changes or business needs.

APPROVAL

This Loan Against Property Policy is approved by the Board of Directors of M/s. Hi-Klass Trading and Investment Limited, NBFC Company at its meeting held on September 01, 2025.