



CAPITAL TRADE

LINKS LTD.

CIN : L519090DL1984PLC019622

LOAN POLICY

OF

CAPITAL TRADE LINKS LIMITED

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LOAN POLICY

INTRODUCTION:

The purpose of this document is to define the loan policy for the company M/s Capital Trade Links Limited registered as Non-banking finance company with RBI and inter alia engaged in the business of providing funds/credit facility for various purposes to various customers i.e. for personal loan, loan against property, SME loan, Vehicle Loan, Business Loan, etc.

This Policy lays down the principals and procedures for determination of rate of interests to be charged from the clients, subject to the adherence of RBI circular's in this regard and also the policy be read in concurrence with the existing RBI guidelines, directives, circulars and instructions

1. LOAN APPLICATION:

The Company has placed Loan application form in the manner acceptable together with such documents and information as may be required by the company, filled in and submitted by the borrower to the company in relation to the loan. Personal assistance is also available during the normal business hours.

2. LOAN APPROVAL:

Each loan application will be reviewed and approved only to the extent that the loan requested complies with the requirements of Loan Agreement. If a loan application is denied, the borrower will be informed of the reason(s) for the denial.

If a loan is approved, the borrower will be informed of the maximum amount that may be borrowed, the applicable interest rate, the payment amount and the number of payments required to repay the loan. A Borrower who directs that a loan be made on the terms described will receive a loan agreement and disclosure statement (collectively, "loan documents"), along with the loan proceeds. The loan documents constitute the terms of the Loan Agreement.

3. LOAN AMOUNT.

The minimum loan amount is Rs.20,000. Besides this, the lender can agree to lend and borrowers can agree to borrow such amount as may be set out in the Loan Agreement.

4. LIMIT ON NUMBER OF LOANS.

Participants are limited to three loan outstanding at a time.

5. PURPOSE OF LOAN

Loans are permitted for any lawful purpose.

6. **LOAN TERMS.**

- (a) **Payment Amount.** Each EMI will consist of interest and a portion of the outstanding principal. The borrower and guarantor having perused, understood and agreed to the lender's method of calculating installments.
- (b) **Interest Rate.** Loans will be provided for a fixed/floating rate of Interest which the borrower shall be liable to pay on the loan amount from the date of disbursement. Interest rates shall be intimated to the customers at the time of sanction/ availing of the loan and the equated installments apportionment towards interest and principal dues shall be made available to the customer.

As per the Notification No. DNBS. 204 / CGM (ASR)-2009 dated January 2, 2009. The Reserve Bank of India for the purpose of enabling to regulate the credit system of the country to its advantage, it is necessary so to do, in exercise of powers conferred under Section 45 L of the Reserve Bank of India Act, 1934 (2 of 1934) and of all the powers enabling it in this behalf, hereby issues the following Directions to NBFCs:

- a) The Board of each NBFC shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter.
- b) The approach for gradation of risks shall also be made available on the web-site of the companies. The information published in the website should be updated whenever there is a change in the approach.
- c) The rate of interest should be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.
- (c) **Payment Method.** Payment of monthly installments and the outstanding dues, as the case may be can be made by any of the following modes:
- a) ECS/NACH
 - b) NFFT,
 - c) RTGS,
 - d) Cash
 - e) Standing instructions at the bank, and
 - f) Any other instrument suitable from time to time.

- (d) **Payment Period.** The Minimum repayment period is one (1) day and maximum repayment period of any loan is three (3) years or more as per the need of the borrower.
- (e) **Disbursement of Loan:** The disbursement of loan may be made directly to the borrower or to the Manufacturer or the Dealer upon instructions from the borrower, in one lump sum or in such installments as per the details provided under the application form subject to the terms and conditions contained therein. If the Borrower avails Loan in the form of Line of Credit, the option of making disbursement to the manufacturer or the dealer will not be available to the borrower.
- (f) **Utilization of loan:** The borrower would agree to use the Loan amount for its business/personal purpose only and not divert/utilize the loan amount for any illegal, speculative, nefarious, fraudulent or unlawful purpose.
- (g) **Prepayment.** Loans may be prepaid (in part or in full) at any time with 2% pre-payment charges by any method acceptable to the company.
- (h) **Cheques:** The Borrower undertakes to deliver to the company the Cheques on or before due date of EMI of each month.
- (i) **Taxes and other charges:** The Borrower shall pay all stamp duty, stamp duty penalties, registration fees, and similar taxes and duties which are or may become payable in connection with the entry into, performance or enforcement of this agreement and /or Loan documents whether at the time of execution or thereafter. The Borrower hereby agrees that in case the lender is requires to make any payments such as stamp duty, stamp duty penalty, registration charges and/or any other charges and /or duties on and in relation to this agreement and /or Loan documents or any other underlying/associated documents, whether at the time of execution or thereafter then the Lender shall be entitled/authorized to recover the same from the borrower.

7. **DEFAULT IN PAYMENT:**

The borrower shall be deemed to have committed an act of default if the borrower does not comply with its obligations as may be mentioned in Loan Agreement and also on the happening of any one or more of the followings events;

- a) The borrower fails to pay any monthly installments or the Outstanding Dues on or before the Due Dates or commits breach of any of the terms, covenants or conditioned contained in the loan agreement.
- b) If it is found that borrower commits a default of any of the terms and conditions in respect of any other loan or facility provided by the lender.
- c) If it is found that borrower has made any misrepresentation to the Company.

d) If any of the above events occurs, the company would recall the loan amount and borrower shall pay whole amount of loan along with the Interest to the Company.

8. **PROCESSING FEES.**

All processing / documentation and other charges recovered are expressly stated in the Loan documents and properly conveyed to the customer before sanctioning of loan.

9. **AMENDMENT AND INTERPRETATION OF POLICY.**

The Company may amend this Policy from time to time. The Company has discretion to interpret the provisions of this Loan Policy, and its decisions regarding the application or interpretation of this Loan Policy are final and binding on participants.

10. **ASSIGNMENT OF RIGHTS:**

The company shall at any time, without any consent of or notice to the borrower be entitled to securitize, sell, assign, discount or transfer all or any part of the lender's right and obligations as per the agreement or other Loan documents, to any person(s) and in such manner and on such terms as the lender may decide. The borrower shall not be entitled to directly or indirectly assign or in any manner transfer, whether in whole or part, any rights, the benefit or obligation under the loan documents.

11. **DISPUTE RESOLUTION:**

Any dispute arising out of or in relation to the Loan, including this Agreement and/or Loan Documents shall be referred for arbitration to the sole arbitrator appointed by the Lender. The Parties agree and confirm that the arbitration proceedings shall be conducted in accordance with the Arbitration & Conciliation Act, 1996 and the rules applicable thereto.

12. **GOVERNING LAW AND JURISDICTION:**

The validity, interpretation, implementation and resolution of dispute arising out of or in connection with this Agreement shall be governed by the Applicable Law. The Parties agree that all the matters out of this agreement shall be subject to the exclusive jurisdiction of the courts or tribunals (as the case may be) at New Delhi, India only.

13. **MEMBERSHIP OF CREDIT INFORMATION COMPANY:**

Capital Trade Links Limited has obtained membership of TransUnion CIBIL Limited on 05.10.2015 via registration number "NB7501". Credit Information Company (CIC) established under the Credit Information Company Regulation Act-2005, provide timely and accurate data to the CICs and use the data available with them to ensure compliance with the conditions regarding level of indebtedness and source of borrowings.

The company would ensure that stipulations with regard to lending activities are adhered that no loans/advances shall be granted to those borrowers who are on the existing defaulters list of CIBIL.

14. **DOCUMENTATION:**

Documents required for lending Vehicle & Personal loans are:

- a) Loan Application Form
- b) Consent Form
- c) Guarantor Form
- c) Demand Promissory Note, in case of personal loan
- d) KYC documents of Borrower, Co-borrower and guarantor
- f) Bank Statement

Documents required for lending Business loans along with above mentioned documents:

- a) Collateral Security for securing loan amount

Documents required for Loan against property along with above mentioned documents:

- a) Property documents