



CAPITAL TRADE

LINKS LTD.

CIN :L51909DL1984PLC019622

LOAN POLICY
OF
CAPITAL TRADE LINKS LIMITED

(With respect to Loan and Advances made to the Directors, their Relatives and their Controlled entities)

Registered Office – 102-103, First Floor Surya Kiran Building, 19 K.G. Marg Connaught Place New Delhi-110001
Corporate Office - Office No. 1, 3rd Floor, Mahalaxmi Metro Tower, C-1, C-2, Sector-4 Vaishali, Ghaziabad-201010
Ph - 0120-4882133 M.: 7042353322, Email – info@capitaltrade.in, Website – www.capitaltrade.in

1. Introduction and Objective

The purpose of granting loans is to earn income from interest earnings and / or avail benefit of capital appreciation or both, on case to case basis.

In terms of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 and various other directions / circulars issued by the Reserve Bank of India (“RBI”) from time to time, Non-Banking Financial Companies (“NBFCs”) are expected to exercise due diligence and care in all its lending decisions.

In accordance with the above, the Board of Directors of Capital Trade Links Limited (herein after referred to as “the Company” or “CTL”) framed broad guidelines which shall be considered while taking decisions for granting loan as well as to inculcate the operational efficiency.

The Board of CTL have adopted the Loan Policy with respect to loan and advances given to company’s directors their relatives and entities in which director/relatives have major shareholding, at its meeting held on August 27, 2022.

2. Regulations

During the course of its operations, the Company shall strictly adhere to various guidelines as may be stipulated from time to time, by the RBI. These guidelines will include:

- ◆ Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 [“Master Directions”]
- ◆ Adherence to Anti Money Laundering Standards (“AML”) – Prevention of Money Laundering Act, 2002 as amended, read with the relevant rules and obligations of NBFCs
- ◆ Guidelines on Fair Practices Code for NBFCs
- ◆ Scale Based Regulation (SBR): Issued by RBI for NBFCs on October 22,2021
- ◆ Circulars, Guidelines and Clarifications as may be issued from time to time by RBI

Pursuant to any subsequent amendments or any statutory modifications or re-enactments in the above stated guidelines / norms / clarifications or in any other applicable acts / regulations, if there is any change in any of the parameter(s) framed by the Board, then the act / regulation will have overriding effect on the parameter(s).

3. Regulatory Restrictions on Loans and Advances

I. Loans and advances to Directors

Unless sanctioned by the Board of Directors, the Company shall not grant any loans and advances aggregating Rupees Three crores and above to -

- (i) its Directors (including the Chairman/ Managing Director/Whole time Director, if any) or relatives of the directors;
- (ii) any firm in which any of the Directors of the Company or their relatives are interested as a partner, manager, employee or guarantor; and
- (iii) any company in which any of the Directors of the Company, or their relatives are interested as a major shareholder, director, manager, employee or guarantor.

Provided that Director or his/her relatives shall be deemed to be interested in a Company, being the subsidiary or holding company, if they are major shareholder or in control of the respective holding or subsidiary company.

Provided that the Director who is directly or indirectly concerned or interested in any proposal should disclose the nature of their interest to the Board of Directors/the Committee when any such proposal is discussed. They should recuse themselves from the meeting unless their presence is required by the other directors for the purpose of eliciting information and the Director so required to be present shall not vote on any such proposal.

The proposals for credit facilities of an amount less than Rupees Three crore to the borrowers may be sanctioned by the Sanctioning Authority in the Company under powers vested in such authority, but the matter should be reported to the Board of Directors of the Company.

II. Loans and advances to Senior Officers of the Company

The Company shall abide by the following when granting loans and advances to their Senior Officers:

- (i) Loans and advances sanctioned to the Senior Officers of the Company shall be reported to the Board of Directors of the Company.
- (ii) No Senior Officer or any Committee comprising, *inter alia*, a Senior Officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that Senior Officer. Such a facility shall be sanctioned by the next higher Sanctioning Authority under the delegation of powers.

III. In respect of grant of aforementioned loans mentioned at para I and II above

- (i) The Company shall obtain a declaration from the borrower giving details of the relationship of the borrower with the directors/ senior officers of the Company for loans and advances aggregating Rupees Three crore and above. The Company shall recall the loan if it comes to their knowledge that the borrower has given a false declaration.
- (ii) The Company shall disclose in its Annual Financial Statement, aggregate amount of such sanctioned loans and advances as per the prescribed template.

The above norms as mentioned at para I, II and III will equally apply to awarding of contracts.

IV. Loans and advances to Real Estate Sector

While appraising loan proposals involving real estate, the Company shall ensure that the borrower has obtained prior permission from government/ local government/ other statutory authorities for the project, wherever required. To ensure that the loan approval process is not hampered on account of this, while the proposals may be sanctioned in normal course, the disbursements shall be made only after the borrower has obtained requisite clearances from the government / other statutory authorities.

V. Explanations:

For the purpose application of regulatory restrictions on grant of Loans and Advances in paras I to IV above, the term 'loans and advances' excludes such advances granted against Government securities, Life insurance policies, Fixed deposits, Stocks and shares, Housing loans, car advances, etc. granted to an employee of the CTL under any scheme applicable generally to employees subject to the Company's interest/lien being appropriately marked with legal enforceability. While other terms such as 'control' 'relative' and 'Senior Management' shall have the meanings assigned to them under the Companies Act, 2013, the term 'major shareholder' shall mean a person holding 10% or more of the paid up equity capital or five crore rupees in paid up shares, whichever is lower.