



CAPITAL TRADE

LINKS LTD.

CIN : L519090DL1984PLC019622

MORATORIUM POLICY
OF
CAPITAL TRADE LINKS LIMITED

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MORATORIUM POLICY

INTRODUCTION:

The purpose of this document is to define the moratorium policy for the company M/s Capital Trade Links Limited (hereinafter referred to as “CTL”/” Company”) is a Public Limited Company incorporated under the Companies Act, 1956, registered as Non-banking financial company with RBI and regulated & supervised by Reserve Bank of India 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.

On 27th March, 2020, the RBI has announced various regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure continuity of viable businesses (Reference RBI Circular no. RBI/2019-20/ 186 DOR. No. BP. BC.47/ 21.04.048/2019-20 dated March 27, 2020) also the policy be read in concurrence with the existing RBI guidelines, directives, circulars and instructions.

Moratorium on Term Loans and Rescheduling of Payments: All NBFCs (including housing finance companies and micro-finance institutions) (“lending institutions”) are being permitted to allow moratorium of three months on payment of installments in respect of term loans outstanding as on March 01, 2020.

1. MORATORIUM APPLICATION:

The Company has Moratorium policy in the manner acceptable together with such documents and information as may be required by the company.

Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, may be shifted across the board by three months.”

Further the company states and clarifies in its policies: “The moratorium / deferment are being offered to help borrowers in the economic storm caused by COVID-19. As a result, the same will not be viewed as a change in terms and conditions of loan agreements due to the borrowers' financial inabilities, and will not result in an asset classification downgrade.

The Company may accordingly put in place a Board approved policy in this regard.”

2. MORATORIUM PERIOD AND PROCESS

A moratorium refers to the delay or temporary deferral of a law or an activity. MORATORIUM is a sort of relaxation it is a relaxation granted where the borrower is granted an option to not pay during the moratorium period.

Customers who are requesting for availment of moratorium/deferment will be informed about the financial implications of such moratorium/deferment including the applicable interest on such action.

- EMI would not be charged to the customer whom moratorium is granted.
- Interest amount of the EMI deferred would be capitalized in the loan
- Residual tenor would remain same though EMI for subsequent months will be increased to give effect of the capitalization of interest
 - Company would continue to present EMI dues as per normal process for the period March to August'20 for all customers, unless such customers specifically requested for moratorium after taking cognizance of the additional financial implication on their loan because of the moratorium/deferment.
 - Moratorium/deferment of EMI would be done month wise or up to Six months at a time for EMI's falling due between 1st March 2020 to 31st August 2020 decision for the same will be taken on a case to case basis.

3. WORKING ON MORATORIUM AND ITS INTIMATIONS

A Brochure with the moratorium policy was placed on the official website i.e. www.capitaltrade.in indicating the procedure for availment of the moratorium. The moratorium was granted against all the requests that came from our valuable customers in the wake of pandemic devastation.

The customers should communicate their request of moratorium on email to the Company.

Once the request is submitted, Our Company representative(s) will ask the following information viz.

- Declaration and official communication from HR Head and Reporting Manager of that eligible customer stating
- Partial Salary cuts; or
- Full Salary cuts; or
- Lay off;

The declaration should have the contact details of HR Head & Reporting Manager with official email ids. The declaration also clearly specifies the reason as e.g. business loss due to COVID19 and subsequent lock down. Any reasons pertaining to employee's performance, behavior or reasons not relevant to existing circumstances will be deemed unacceptable and the application will be rejected.

Once we will receive the requisite details, we will review the claims and share the final update to the customer with further plan of action, if any. Customer request will

be processed once the NACH/E-Mandate is being registered/initiated with the Company.

4. **DOCUMENTATION**

All customers who requested for moratorium must sign a written consent form approving the new repayment terms and conditions. The foregoing modifications to the loan agreement were developed particularly to help borrowers weather the economic effects of COVID-19. As a result, the borrower's financial difficulties will not be viewed as a modification of the loan agreement's terms and circumstances.

Fresh ACH mandate/ PDCs based on the revision in installment structure shall be obtained from the customers.

5. **IMPACT ON NPA CLASSIFICATION**

Standard Loans as on March 1, 2020 - In case of standard loan, the moratorium period will not be considered for computing default and hence, it will not result in downgrade of asset classification.

NPA as on March 1, 2020 - The loan already classified as NPA shall continue with the same classification, however, may be granted an exemption from payment during the moratorium period and there shall not be any further asset classification deterioration during the moratorium period.

6. **IMPACT ON THE LOAN TENURE DUE TO THE MORATORIUM:**

Impact on the loan tenure and the EMI due to the moratorium -

There will be an interest accrual during the period of moratorium, such interest will be added to principal and company may have discretion (in the interest of the customer) to increase EMI or adjust the tenor in view of retaining same EMI.

The Board of Directors are authorized to approve any operational procedures/guidelines as may be required to implement the policy and make any changes to the policy in line with the directions/guidelines issued by RBI from time to time. The policy shall be reviewed as and when considered necessary by the Board of Directors of the Company.

7. **WEBSITE:**

The Board Approved-Moratorium Policy will be hosted on the Company's website i.e. www.capitaltrade.in for our customer's information and benefit as mentioned in the RBI's circular.