

CIRCULAR

Sub: Policy on rescheduling of EMI

Ref: Reserve Bank of India, vide its circular dated 27-03-2020, has permitted various lending institutions including Conatus Finserve Private Limited(CFPL) to grant a moratorium of three months on payment of all Equated Monthly Installments (EMI) falling due between March 1, 2020 and May 31, 2020. Accordingly, the Board of Directors of CFPL have approved following policy guidelines on rescheduling of EMI.

Policy on Rescheduling of Payments- MSME Business Loans

In view of the stress on the financial sector arising out of COVID -19, Reserve Bank of India (RBI) on March 27, 2020 announced various measures including granting moratorium on EMI payment for term loans/ deferment of interest in working capital facilities. (RBI Notification Ref: no RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20 "COVID-19 - Regulatory Package" dated March 27, 2020) and advised the financial institutions to frame Board Approved policy in this regard.

Accordingly, the Board of Directors of the Company has approved following policy guidelines on Deferment of PEMI /EMI.

- i) The Company shall offer deferment of all the instalments including principal and/or interest component, bullet repayments and EMI payments due from 01st March 2020 to 31st May 2020, subject to the consent of the borrowers. Accordingly, it is proposed to grant a moratorium of three months on payment of all instalments including principal and/or interest component, bullet repayments and EMI falling due between March 1, 2020 and May 31, 2020. The repayment schedule for such loans as also the residual tenor, shall be shifted across the board by three months after the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. However, those borrowers who have already paid EMI for the month of March 2020, shall be granted deferment for the month of April and May 2020 only, subject to the consent of the borrowers.



ii) For obtaining the consent, the borrowers shall be given an option of deferment of EMIs for 2 months (3 months for those who have not paid the EMI in March) or to make the payment through regular NACH/cheque. It shall also be mentioned that interest for the deferred period shall be accumulated and revised EMI will be worked out accordingly, by extending the repayment period by 2 to 3 months, as the case may be. For all the fresh cases sanctioned from now onwards (i.e. on or after March 31, 2020) till May 31, 2020, a standard condition in the sanction order shall be stipulated about EMI starting from the month of June 2020. Wherever required, overall repayment period will be allowed to extend for an additional period of 3(three) months in all such cases. Notice to this effect shall be published on the website of the Company. Apart from this, the borrowers shall be reached out through any other possible mode of communication like telephone, SMS, WhatsApp on their registered mobile numbers (where've available) and their option will be sought. If the option is exercised by the borrowers to pay the EMIs, the NACH for April and May shall be presented. and regular payment of EMI shall begin from June 2020. If the borrowers exercise the option of deferment, they shall be requested to send a confirmation through SMS/WhatsApp/email and they shall be granted deferment as requested.

iii) No penalty shall be charged for deferred EMI for both fresh loan disbursements and for existing loan repayments during this period.

iv) The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs) by CFPL

THIS POLICY WILL COME INTO FORCE WITH EFFECT FROM 31ST MARCH 2020 AND WILL REMAIN EFFECTIVE TILL 31ST MAY 2020


Sd/-
Director & CEO
Rajaram Kamath