

CIRCULAR

Sub: Policy on Rescheduling of EMI

SCOPE AND OBJECTIVE

Many of our customers' cash-flow and earnings may have been impacted because of COVID-19 crisis and on account of overall impact to the economy due to the lock-down imposed by the Government and the resultant restrictions on the movement of people, goods and resources. Thus the aim of this Policy is to extend relief to our customers based on permissions received as per RBI Guideline on COVID-19 – Regulatory Package dated March 27, 2020, April 17, 2020 and May 23,2020

COVID-19 - REGULATORY PACKAGE

RBI vide circulars issued on March 27, 2020, April 17, 2020 and press release dated May 23,2020 has advised certain 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 and households

As per the above circulars and press release,

- i. all Lending institutions including NBFC's have been permitted to allow a moratorium of upto six months.
- ii. The lenders are permitted to grant a moratorium on payment of any or all installments falling due between March 1, 2020 and August 31, 2020, however the interest will accrue and be payable by the customer
- iii. Installments permitted for moratorium will include payments falling due from March 1, 2020 to August 31, 2020 in the form of principal and/or interest components; bullet repayments; Equated Monthly Installments. Such installment will also include installments (originally due upto 31, May20) which were initially granted moratorium of upto three months
- iv. For all customers where lending institution has decided to grant moratorium or deferment and which were Standard as on February 29, 2020, even if overdue, the period from March 1, 2020 to August 31, 2020 will be excluded for counting the number of days past due, for the purpose of asset classification under the IRAC norms

POLICY ON RESCHEDULING OF PAYMENTS- MSME BUSINESS LOANS

The Board of Directors of CFPL had approved policy on rescheduling of EMI on 31st March 2020 for granting moratorium on payment of any or all installments falling due between March 1, 2020 to 31st May 2020.

RBI vide press release dated 22nd May 2020 announced various measures to ease financial stress including extension of moratorium on term loan installments.

In line with the above RBI circulars and press release, Conatus Finserve Private Limited (CFPL) is offering it's customers EMI moratorium to help them sail through the disruption caused by COVID-19 pandemic.

Accordingly, the Board of Directors of the Company has approved following policy guidelines on extension of moratorium to its customers.

- i) The Company shall offer deferment of all the instalments including principal and/or interest component, bullet repayments and EMI payments due from 01st June 2020 to 31st August 2020, subject to the consent of the borrowers. The repayment schedule for such loans as also the residual tenor, shall be shifted across the board for the moratorium period. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period.
- ii) For obtaining the consent, the borrowers shall be given an option of deferment of EMIs for the moratorium period 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 payment schedule will be worked out accordingly, by extending the tenor by 3 months. 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 June, July and August shall be presented. and regular payment of EMI shall begin from September 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
- v) This policy shall be read in continuity with earlier policy dated 31st March 2020

THIS POLICY WILL COME INTO FORCE WITH IMMEDIATE EFFECT AND WILL REMAIN EFFECTIVE TILL 31ST AUGUST 2020


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