Date: 30.05.2020

To,
Dear Borrowers,

Subject: COVID 19 –Regulatory Package

Ref: RBI Circular – RBI/2019-20/186 DOR.No.BP.BC.47/21/04.048/2019-2020 dated 27th March 2020.
RBI Circular – RBI/2019-20/244 DOR.No.BP.BC.71/21/04.048/2019-20 dated 23rd May, 2020.

On the background of COVID -19 pandemic, certain regulatory measures are announced by RBI to mitigate the burden of debt servicing and to ensure the continuity of viable businesses.

1) **Rescheduling of payments – Term Loans and Working Capital facilities:**

a) **<u>Term Loans:</u>**

In respect to all term loans, a moratorium period of three months on payment of all instalments ((i) principal and/or interest components, (ii) bullet repayments , (iii) Equated Monthly instalments) falling due between March 1st, 2020 and 31st May 2020 was granted.

Accordingly, the repayment tenure was shifted by 3 months automatically. As per the new guidelines of RBI declared on 23.05.2020, the repayment tenure is shifted for further 3 months i.e. upto 31.08.2020 for business affected due to lockdown on the background of COVID -19.

However, if any borrower wish to continue regular repayment during this moratorium period, he/she can do it by submitting specific request to the Bank Branch.

The Bank has stopped the ECS loan demand of our Term Loan borrowers, i.e. Cosmos Bank will not raise demand for collection of loan instalments.

b) **<u>Working Capital Facilities:</u>**

In respect to working capital facilities sanctioned in the form of cash credit/Bill Discounting/ overdraft/ mortgage Overdraft used as working capital, interest was deferred till 31.05.2020. Now, it has been further deferred till 31.08.2020.
In case of request justifying the need, the accumulated accrued interest will be converted into a funded interest term loan (FITL) which shall be repayable upto March 31, 2021.

2) **Easing of Working Capital Financing:**

As per RBI guideline the benefit of reduced margins and/ or reassessing the working capital cycle was considered upto 31.05.2020 which is further considered till 31.08.2020. Please contact your home branch for additional details.

3) **Classification as Special Mention Account (SMA) and Non- Performing Asset (NPA)**

As per RBI guidelines the concession given as referred above will not be considered as concession or change in terms and condition.

As we have centrally granted moratorium/deferment, CIBIL score will not get affected as demand is not being raised.

Managing Director