



# **THE ANDHRA PRADESH STATE CO-OPERATIVE BANK Ltd.,**

(A State Govt. Partnered Scheduled Bank)  
HO: NTR Sahakara Bhavan, Vijayawada-520 002.  
BRCC Section, [brcc@apcob.org](mailto:brcc@apcob.org)

## **Policy On Regulatory Package as directed by RBI**

### **1. Scope and Objective**

Many of our customers' earnings may have been impacted because of COVID-19 crisis and the subsequent lock-down imposed by the Government. Therefore, 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.

### **2. RBI Policy Action: COVID-19 - Regulatory Package**

Key highlights of the advisory of the RBI are as follows.

- i. Lending institutions have been permitted to allow a moratorium of three months. Hence, the moratorium has to be granted by the lending institution to the borrowers.
- ii. The lenders are permitted to grant a moratorium of upto three months on payment of any or all instalments falling due between March 1, 2020 and May 31, 2020.
- iii. Instalments permitted for moratorium will include payments falling due from March 1, 2020 to May 31, 2020 in the form of principal and/ or interest components; bullet repayments; Equated Monthly Instalments and credit card dues.
- iv. The moratorium is essentially a “pause” in contracted repayment obligations, however the interest will accrue and be payable by the customer.
- v. In respect of working capital facilities sanctioned in the form of CC/ OD to borrowers facing stress on account of the economic fallout of the pandemic, lending institutions may recalculate the ‘drawing power’ by reducing the margins and/ or by reassessing the working capital cycle. This relief shall be available in respect of all such changes effected up to May 31, 2020 and shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19.

### **3. APPROACH OF APCOB**

APCOB understands the difficulties of customers due to outbreak of COVID-19 and resultant lockdown. Hence, the following benefit of moratorium is proposed to be provided to the customers.

- a. Moratorium for 3 months in all Term Loans and Overdraft and standard assets (as on 1<sup>st</sup> March, 2020) are eligible.
- b. Under this policy the Bank allows a moratorium of up to three months on payment of instalments/interests.
- c. Interest shall continue to accrue on the outstanding portion of such term loan during the moratorium period at the same rate as contracted for the respective loan.
- d. **Customer who wants to opt out of the moratorium** should submit a request to the concerned Branch, quoting the Loan account number, well before the due date.
- e. Moratorium benefits include:
  - i. Deferment for paying instalments/interest for upto 3 months.
  - ii. Not reporting to bureaus as defaulter during the moratorium period.
  - iii. No penal and cheque bounce charges for instalments pertaining to the moratorium period.
- f. **For retail customers who have no overdues for period prior to March 1, 2020 will automatically be provided relief under moratorium**, and hence moratorium related benefits mentioned above in point (e) above would be made available to them. In case customers choose not to avail the moratorium, they can pay dues of the unpaid or returned instrument to the bank. (*Instalments will include the following payments falling due from March 1, 2020 to May 31, 2020: (i) principal and/or interest components; (ii) bullet repayments; (iii) Equated Monthly instalments*).
- g. **There is no moratorium to customers whose loans are in overdues/NPAs pertaining to period prior to March 1, 2020 as per the regulations.**
- h. The repayment schedule for such retail instalment loans who have been provided moratorium benefits will be extended to recover the deferred instalments along with applicable interest. The interest accrued would be added to the principal which will extend the residual period of the loan as the EMIs would remain unchanged.
- i. No penal charges would be levied for borrower granted moratorium / relief under the policy during the moratorium period.
- j. Customers who have availed working capital facilities from the Bank are also eligible for moratorium relief. Such customers can get relief under this policy based on review by the Bank, and as per the terms applicable

to them. Relief can also be provided for term loans availed by such customers.

- k. The Bank may defer the recovery, upto three months, of interest applied in respect of Working Capital Facilities (Cash Credit/ Overdraft) during the period from March 1, 2020 up to May 31, 2020 (“deferment”). The above accrued interest shall be recovered immediately after the completion of this period.
- l. In respect of working capital facilities sanctioned in the form of CC/ OD, the Bank may recalculate the ‘drawing power’, by reducing the margins and/ or by reassessing the working capital cycle. This relief shall be contingent on the Bank satisfying itself that the same is necessitated on account of the economic fallout from COVID-19.

#### 4. Other applicable conditions

- a. In respect of reliefs granted under this policy, requisite documentation may be taken by the Bank, including through electronic form.
- b. If borrowers have already paid their instalments or serviced their interest for March 2020, such borrowers can avail moratorium for instalments falling due in April and May 2020.
- c. The borrower should not have been classified as wilful defaulter/Fraud by any Bank or financial institution.**
- d. The moratorium/deferment granted to borrowers will not qualify as default on the part of borrowers for the purposes of supervisory reporting and for reporting to credit information companies (CICs).
- e. The relief given as above as per the special dispensation given by RBI will not result in any downgrade of asset classification. However, if there is an existing default like interest/ principal due up to February 29, 2020, asset classification and provisioning norms of the Bank will apply.
- f. While this policy outlines the broad internal guidance that the Bank will follow to take decisions regarding moratorium, the Bank retains the discretion to change the policy from time to time and announce it appropriately on its website.

Date:18.04.2020

Sd/-  
**Managing Director**