

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 1101

TO BE ANSWERED ON THE 26TH JULY 2021/ SRAVANA 4, 1943 (SAKA)

Relaxation in Vehicle Loans

1101.SHRI A.K.P. CHINRAJ:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering to give relaxation to small scale truck owners in interest payment to banks who took vehicle loan;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(DR. BHAGWAT KARAD)

(a) to (c): Reserve Bank of India (RBI), *vide* circulars dated 6.8.2020 and 5.5.2021, has already permitted lending institutions to implement resolution plan / restructuring in respect of eligible loans having stress on account of the COVID-19 pandemic. Such loans also include loans for vehicles purchased for business purpose. These RBI circulars empower banks to customize relief to eligible borrowers through grant of various concessions in terms of —

- (i) alteration in the rate of interest;
- (ii) sacrifice by lending institution on the amount payable to it as interest;
- (iii) waiving penal interest and charges; and
- (iv) converting accumulated interest into a fresh loan with a deferred payment schedule.
