

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO. 4009

To be answered on the 28th March 2022/ Chaitra 7, 1944 (Saka)

Extension of Loan Moratorium

4009. SHRI BHARTRUHARI MAHTAB:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has issued any instructions/guidelines to the banks and other lenders to provide extension of loan moratorium due to the COVID-19 pandemic in the country;
- (b) if so, the details thereof including the number of beneficiaries who availed the moratorium on payment of loans between 1st August, 2021 and 1st December, 2021 in Odisha;
- (c) whether the banks charge compound interest after the moratorium period and if so, the details thereof; and
- (d) whether the Government has taken any decision for waiving of interest on various loan repayments including agricultural, small scale industry, education and self help group loans during the current COVID-19 crisis in the country and if so, the details thereof?

ANSWER

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

(a) to (d): To mitigate the debt servicing burden on account of the COVID-19 pandemic and to ensure continuity of viable businesses, the Reserve Bank of India (RBI), *vide* circular dated 27.3.2020 (COVID-19 Regulatory Package) had permitted lending institutions to grant a moratorium of three months on payment of all instalments falling due between 1.3.2020 and 31.5.2020, in respect of all term loans, and to defer the recovery of interest in respect of working capital loans for the same period, which was further extended by three months, *i.e.* up to 31.8.2020, *vide* RBI's circular dated 23.5.2020. As per the said circulars, interest was to continue to accrue during the moratorium period, *i.e.* from 1.3.2020 to 31.8.2020. As per RBI, 8,06,59,105 borrowers, including those in the state of Odisha, had availed of benefit of moratorium, as on 31.8.2020.

The Government, in view of the unprecedented and extreme COVID-19 situation, provided *ex-gratia* relief to eligible borrowers, by way of payment of difference between compound interest and simple interest, on the outstanding as on 29.2.2020, for the moratorium period, *i.e.* from 1.3.2020 to 31.8.2020. Under this, approx. 19.92 crore borrowers have been benefitted with an aggregate *ex-gratia* amount of Rs. 6,474 crore approx.
