

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

UNSTARRED QUESTION NO.†1250

To be answered on the 25th July 2022/Sravana 3, 1944 (Saka)

Moratorium on Bank Loans

†1250. SHRIMATI RANJEETA KOLI:

DR. MANOJ RAJORIA:

SHRI SUMEDHANAND SARASWATI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has issued any guideline to banks and other loan providers to extend the period of loan moratorium during COVID-19 pandemic in the country, if so, the details thereof;
- (b) the number of beneficiaries in Rajasthan who have availed the benefit of such moratorium during the period from August 1, 2021 to March 31, 2022;
- (c) whether the banks charge compound interest after the end of loan moratorium, if so, the details thereof; and
- (d) whether the Government has taken any decision to waive off the interest on various loans including the loans for agriculture, small scale industries, education and self-help groups during the current COVID-19 pandemic 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.

State Level Banker's Committee, Rajasthan, has apprised that approx 59.67 lakhs borrowers have availed the benefit of said moratorium in Rajasthan.

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.
