

Extension of moratorium period for loans

1010. SHRI K.C. VENUGOPAL: Will the Minister of FINANCE be pleased to state:

- (a) whether Government is ready to extend the moratorium period for loans in the context of huge economic distress and health crises;
- (b) whether Government has taken any measures to extend the period as the moratorium concession period got over on 31st August;
- (c) if not, whether Government is ready to allow concession in interest rates during the moratorium period and on coming payment dues; and
- (d) the measures taken by Government to resolve COVID-19 related stress and customise relief to individual borrowers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) to (d) The Reserve Bank of India, in the context of the economic fallout on account of the COVID-19 pandemic leading to significant financial stress for borrowers, with the intent to facilitate revival of real sector activities and mitigate the impact on borrowers, has, *vide* its circular dated 6.8.2020, provided a resolution framework to enable lending institutions to implement a resolution plan in respect of eligible personal loans and corporate exposures without change in ownership, while classifying them as standard, and, as part of the resolution plan to, *inter alia*, grant moratorium of up to two years. The framework also enables resolution of COVID-19-related stress and customised relief to individual borrowers through grant of various concessions in terms of, *inter alia*: —

- (i) alteration in the rate of interest;
- (ii) conversion of accumulated interest into a fresh loan with a deferred payment schedule;
- (iii) waiver of penal interest and charges;
- (iv) sacrifice by the lending institutions on the amount payable to it as interest;
- (v) rescheduling of repayment; and
- (vi) sanction of additional loan.