

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 227

TO BE ANSWERED ON THE 20TH JULY 2021/ ASHADHA 29, 1943 (SAKA)

Burden on PSBs due to moratorium on loans

227. SHRI B. LINGAIAH YADAV:

Will the Minister of FINANCE be pleased to state:

- (a) whether the public sector banks (PSBs) may have to bear a burden of more than ₹20,000 crore owing to moratorium imposed due to COVID-19 pandemic situation on loans; and
- (b) if so, the details and present status thereof as on date, bank-loan wise?

ANSWER

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

(a) and (b): Reserve Bank of India (RBI) has informed that it has issued a circular dated 7.4.2021 on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package', wherein all lending institutions are required to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, *i.e.*, 1.3.2020 to 31.8.2020, in conformity with the judgement given by Hon'ble Supreme Court in the matter of Small Scale Industrial Manufactures Association vs. Union of India & Others and other connected matters on 23.3.2021. With regard to aggregate amount to be refunded and further details, RBI has informed that the same are not collected and maintained by it.
