

# An Analytical Study of Debt Moratorium Opted By the People

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**Abstract -** Due to the covid - 19 pandemic the revenue graph of almost all the countries in the world has come down drastically from left to right . India is one among such countries , where the revenue has stopped temporarily. A part from the countries revenue the income of the people has also come down or stopped during the lockdown . 56% of the Indians generate there revenue from the operating sources and remaining 46% from non operating sources . It is estimated that for nearly 33 % of the India;s working population revenue generation have stopped temporarily In this situation the finance ministry and the RBI has taken a decision to come up with debt moratorium for three months starting from April 2020 to June 2020. This paper focuses on the people who have opted for this facility and who did not opted for the same . This study also touches on the reasons for not opting the facility . The present paper helps in knowing the association between the loan borrowers who availed the debt moratorium and the various demo graphical factor of the borrowers like gender , income , occupation , type of loans , age etc .

**Key words :** Disbursed , Income , Opting , operating sources , Revenues .

## I. INTRODUCTION

Meaning : In general moratorium means a period of time during which a particular activity is stopped . in finance debt moratorium is an agreed period of time during which a borrower does not have to pay its debt to the banks .

India is a developing country. It is found from the various studies that 60% of the people in India take loans for various purposes . There is a drastic growth in the loans lended by the commercial banks from 1990's. According to the latest data ( end of 2019) released by the Reserve Bank of India , aggregate loan disbursed by the commercial banks in the country rose to Rs 21,645 crore during the fortnight end Oct 2019.

In metro cities like Hyderabad , Bangalore, Chennai etc most of the people with an income group ranging from Rs 50,000 and above spend nearly half of there income on EMI for the loans taken for different purposes.

Due to lockdown in India because of the pandemic covid-19 the income of many people have either stopped or reduced temporarily. In other sense due to the pandemic situation the revenue of the nation also have stopped.

In this scenario the Central government and RBI has taken a decision of debt moratorium where the borrowers does not have to pay their EMI's.

## II. LITERATURE REVIEW

Much research is not done on the debt moratorium because this concept is completely new in India .

As per the online research conducted by the ET wealth in the last week of may 2020 is that only 33% of the

borrowers opted for the moratorium facility. They also concluded that the borrowers are opted for the facility to conserve money.

## III. NEED FOR THE STUDY

ET wealth in its research found the reasons why the borrowers have opted for the facility . This paper focuses on the reasons for not opting the facility. This also will helps to estimate the borrowers who will be opting for the extended debt moratorium.

## IV. OBJECTIVES OF THE STUDY

1. To find how many people have opted for moratorium facility in Hyderabad .
2. To determine the reasons for not opting for the facility
3. To find whether there is any association between the demo graphical factors and opting for the facility

## V. RESEARCH METHODOLOGY

Sample : The sample is selected from the population of Hyderabad on a random sampling method .

Sample collection : the data is collected from the population by structured questionnaire method . the questioner is distributed to roughly 400 people . due to the pandemic situation the data is collected through Google forms with the help of whats app and mails .

Sample size : out of 400 people it is only 325 people who have responded and there is a ambiguity in 14 responses and the sample was rounded off to 300 respondents

Limitations of the study : Due to the pandemic situation of covid -19 the questioner is distributed among the family members , friends and known persons in my contact list .

### VI. DATA CHART

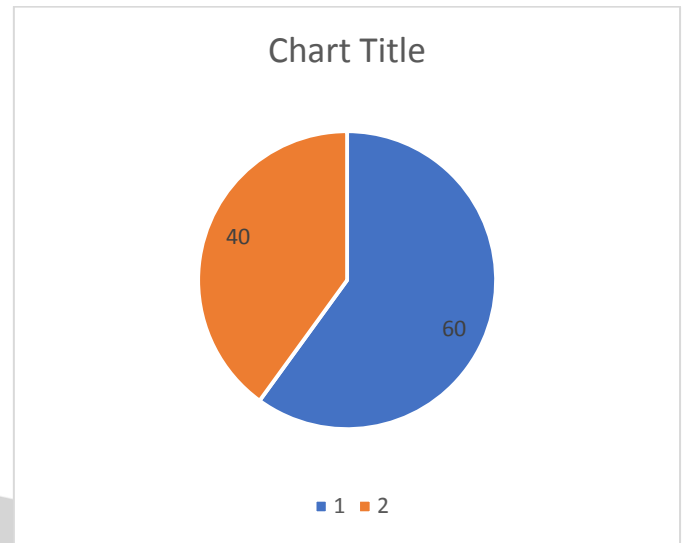
Table : 1

S No.	particulars	Category	No of respondents	%
1	Male		180	60
			120	40
2	Age	20-30 Years	40	13 %
		30-40	70	13 %
		40-50	140	57 %
		50-60	50	17 %
3	Income	Below 25,000 Rs	50	16 %
		25,000 - 50,000	30	10 %
		50,000 - 75,000	50	17 %
		75,000 - 1,00,000	60	20 %
		1,00,000 -125 ,000	30	10 %
		1,25,000 - 1,50, 000	20	7%
		1,50,000 and Above	60	20 %
4	occupation	Govt employees	120	40 %
		Pvt employees	106	35 %
		Business and others	74	25 %
5	Loan Status	Yes	250	83 %
		No	50	17 %
6	Type of loan	Personal loan	65	26 %
		Mortgage Loan	25	10 %
		Housing loan	82	33 %
		credit card loan	78	31 %
7	Moratorium Facility	Yes	60	24 %
		No	190	76 %
8	reasons for not opting the facility	Lack of knowledge	90	36 %
		no financial difficulties	40	16 %
		tenure is very short	30	12 %
		fear of high interest in later period	30	12 %

### VII. DATA ANALYSIS

1. From the above table it is observed that , out of 300 respondents 60 % are male and 40% are female

Figure 1



2. The age of the respondents is ranging between 20 years and 60 years . 13% of the total respondents are from the age group of 20-30 and 30-40 , 57% of the respondents are with the age of 40-50 years and 17% of the respondents are between the age of 50-60 years .

3. For the purpose of the study all the respondents are categorized into govt employees , pvt employees and business class . the percentage of the respondents are 40 , 35 , and 25 respectively .

4. Out of 300 respondent 250 people have the loan and the remaining 50 don't have any type of the loan .

5. Personal , mortgage , housing , and the credit card loan are the types of loans which are taken into consideration . 26% of the respondents have personal loans , 10% have mortgage loan , , 33% have housing loans and 31% respondents have credit card loan ( EMI)

6. It is observed that only 24% of the respondents have opted for the moratorium facility and the remaining 76% dint opt for the facility due to many reasons .

VIII. Study of association between the demo graphical factors and the moratorium facility opted .

( A ) Null Hypothesis H0: There is no significant association between gender and the facility opted .

Alternative Hypothesis H1: There is a significant association between Gender and the facility opted .

Table 2

Gender	yes	NO	Total
Male	15	165	180
Female	35	85	120
Total	50	250	300

Chisquare test has conducted for the above value . The calculated P value is 2.1 and the table value at a confidence level of 5 % with a degree of freedom of 1 is 3.84. As the calculated value is less than the table value we will accept the null hypothesis. There is no association between the gender and the facility opted.

(B) Null Hypothesis H0: There is no significant association between income and the facility opted .

Alternative Hypothesis H1: There is a significant association between income and the facility opted .

Table 3

Income	Opted	Not Opted	Total
Below 25,000 Rs	5	45	50
25,000 - 50,000	11	19	30
50,000 - 75,000	9	41	50
75,000 - 1,00,000	11	51	60
1,00,000 -125 ,000	5	25	30
1,25,000 - 1,50, 000	8	12	20
1,50,000 and Above	1	59	60
Total	50	250	300

The calculated P value is 0.002 and the table value at a confidence level of 5 % with a degree of freedom of 6 is 12.59. As the calculated value is less than the table value we will accept the null hypothesis. There is no association between the income and the facility opted.

( c ) Null Hypothesis H0: There is no significant association between occupation and the facility opted .

Alternative Hypothesis H1: There is a significant association between occupation e and the facility opted .

Table 4

Occupation	opted	not Opted	Total
Govt employees	12	108	120
Pvt employees	18	88	106
Business and others	20	54	74
Total	50	250	300

The calculated P value is 0.0083 and the table value at a confidence level of 5 % with a degree of freedom of 2 is 5.99. As the calculated value is less than the table value we will accept the null hypothesis. There is no association between the occupation of the respondents and the facility opted.

( D ) Null Hypothesis H0: There is no significant association between occupation and the facility opted .

Alternative Hypothesis H1: There is a significant association between occupation e and the facility opted .

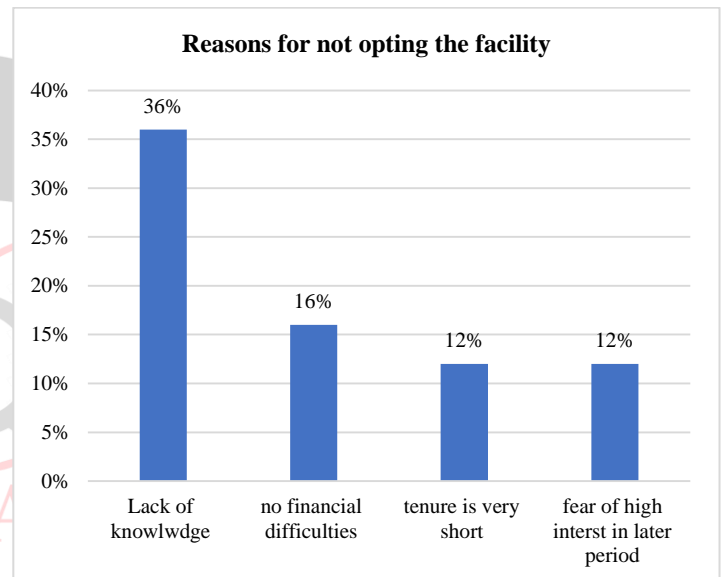
Table 5

Loan type	Opted	not Opted	Total
Personal loan	9	56	65
Mortgage Loan	10	15	25
Housing loan	19	63	82
credit card loan	12	66	78
Total	50	200	250

The calculated P value is 0.025 and the table value at a confidence level of 5 % with a degree of freedom of 3 is 7.81. As the calculated value is less than the table value we will accept the null hypothesis. There is no association between the type of loan of the respondents and the facility opted.

Figure 2

The below chart shows the % of the respondents who dint opt the facility for the various reasons



### VIII. CONCLUSION

1. The study is based on the general population . Focus was not given to any one class of the people .
2. It is found that there is no significant association between the demo graphical factors and the debt moratorium facility opted by the respondents .
3. Business was taken as one class . The scale of operation is not taken into consideration. Further study can be conducted by taking scale of operation of the business and facility opted.
4. As we have many types of loans only four have taken for the study

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