22/11/2023

UPSC

Answer Questions in NOT MORE THAN the Word Limit specified for each in the Parenthesis.
(Specimen Answer Booklet - For Practice Purpose Only)

① Non- performing assets are the burden of Banks where people stop paying loan and a period of 90 days will be given prior to call it is Non performing asset.

NPA
→ Special mention asset 1 (0-30days)
→ special mention asset 2 (31-60 days)
→ special mention asset 3 (61-90 days)

Number of non-performing assets in india are getting increased from last ~~decade~~ decade.

RBI interven to avoid NPA

→ ① law to protect the Banks (or) Related, to collect the ~~loans~~ assets legally if loans are not paid.

Ex: SARFAESI Act

→ ② National Asset Reconstruction company ltd for the asset selling and profit making purpose.

→ ③ India debt resolution company ltd
as a supporting mechanism of NARC
i.e., government will face the loss if any asset give loss to ~~gove~~ Banks from NPA security.

→ ④ legal aid and faster asset selling
Ex: National Company law tribunals

even after these many improvements, indian Banks are facing huge loss on non-performing assets

Measures to decrease the load of non performing assets

① proper implimentation of 'ARC' procedure for Better asset price.

(2) Recommendation of Better laws to avoid purposful outcome from paying loans.

(3) Maintain transparency and clear papers with no court disputes for easy Recovery of assets.

(4) giving stable Rates to Bank to fix for ~~ge~~ giving certain amount of loans and Maintainence of Reserve to not get backrupt.

(5) Making them sell in stock market may give better value

16 Min

~~As~~ The Government and RBI are constantly working on proper output for NPA decrease which shows the Responsibility of country ~~has~~ to pay the loans and clear the NPA in india.