

Que:- what is NPA? Describe the recent effort in India to fight with NPA?

NPA

NPA is the acronym stands for non profit assets. NPA are the bad loans on which borrower does not pay principal or interest for 90 days. These unproductive loans are NPA.

Types of NPA

- Substandard NPA Assets - unproductive for more than less than or equals to 12 months.
- Doubtful NPA Assets - unproductive for more than 12 months & less than 36 months.
- loss assets - unproductive for more than 36 months. minimal probability of returns

These non profit assets have applied negative impact over the banking system and its infrastructures. It has frozen the liquidity in the market and leads to economic slow down. To overcome it government - taken several steps

Efforts

To resolve the NPA of private, public & commercial bank, which was around 8 L. crore in 2015, taken these steps.

Conclusion -

These steps of GoI. in the banking sector are leaving the green footprints. The pace of recovery of loans is increased and capacity of financial condition of banks is also improving. The NPA of private banks reduced to 4.1% from 8.1% and of commercial Public bank is 11.3% from 14.3% in the year 2019.

Excellent!