

Analysis of Narasimhan Committee 1 Report on Problems of Banks & Financial Institutions in India

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ABSTRACT:

The paper will deal in discuss the role of Narsimhan Committee which has targeted several issues ranging from directed phase credit from improvising agricultural sector to developing banking sector by setting statutory limits of reserves, the committee has placed an important role to improve efficiency, productivity and profitability. The committee has further laid down the foundation for IBC code as the committee lays down its focus on bad loans and stressed assets because of which the creditors market became distressed as there was no proper mechanism of recovery of debts. The paper will discuss that how effectively the committee has been able to solve the issue and how it has acted as an backbone for future reforms.

Statement of Problem

The rise in number of non-performing assets has created instability in the banking sector. When financial institutions do not have proper mechanisms to safeguard their debts, the debt market pattern changes as investors become less willing to invest. Lack of investor protection can harbor many consequential problems which can lead to failure of economy which was witnessed before 1991 in terms of fiscal deficits. Another problem is government regulation which leaves no scope for application of commercial wisdom in the sector. Lack of proper enforcement mechanism and long-pending resolution, has also escalated the problem.

Literature Review

Authors have relied their research on different scholarly articles such as –

1. **Banking Sector Liberalization in India by Christian Roland**¹

The article emphasizes on how the committee focuses on changing intensity that are associated with financial repressions in terms of controlling interest rate controls, directed credits. The reasons of the financial repression that has increased between 1960 and 1980 and the effective measures in terms of economic reform that has been taken up by the committee are well analyzed and reflected in the article. The author also emphasizes on

¹ Christian Roland, BANKING SECTOR LIBERALIZATION IN INDIA, European Business School, Ostrich-Winkel, Germany Paper prepared for "Ninth Capital Markets Conference" at the Indian Institute of Capital Markets

what recommendations are laid down by the committee and how they have been implemented and what impact it has created on the problem.

2. Reforming India's Financial Sector: An Overview²

The author reflects on the need of such financial reforms in order to create a stabilized economy. The author emphasizes on the need of such reforms and the consequences that will follow if such reforms are not implemented. The paper also helped us in analyzing the statistical data used by the author to stress on the need of reforms or there would be irreparable damages that would lead to falling of the economy.

3. The Indian Insolvency and Bankruptcy Bill: Sixty Years in the Making³

The paper gives an insight about the development of Bankruptcy and Insolvency law after independence. The author emphasizes as to how laws have changed and evolved and what problems has existed in terms of lack of harmonization between different laws. The paper summarizes using empirical data how the institutions and investors has suffered because of inefficient and inadequate insolvency framework.

Objective

The aim of this paper is to study the rate of NPAs in the economy before 1991 in comparison with after 1991 scenario. This is to understand how structurally the committee has understood the cause of the problem and has given suggestions that can strengthen the position of banks and financial sectors in the economy. The recommendations given by the committee has laid down a first step to address the issue which has been further acted as a backbone for many committee and legislations to act upon. The focus of this paper is upon the effectiveness of the recommendations and the loopholes left unaddressed by the committee which has further been dealt under IBC Code.

Hypothesis

The research is based on the premise that committee has effectively dealt with the problem of rising NPA in the banking sector and the recommendations of the committee has paved a way for strong resolution of NPA mechanism and has also highlighted different paradigms to address this issue.

Research Questions

The paper is an attempt to answer the following questions:

1. Whether the problem of NPA has been addressed by the committee effectively.

² MONTEK S. AHLUWALIA, Reforming India's Financial Sector: An Overview, 2000.

³ Ashish Pandey, The Indian Insolvency and Bankruptcy Bill: Sixty Years in the Making, IMJ, Vol 8, Issue 1, available at, <file:///H:/study/Evidence%20act/section%2017%20admission/Vol8-1-TIIBB.pdf>

2. How far the recommendations have been accepted and applied in the banking sector.
3. Whether the suggestions provided has brought about any positive outcome to the problem of NPA.
4. What are the loopholes that committee failed to address and which has been further dealt by another committee reports.

Methodology

The research methodology that has been used in the paper is secondary data that has been available through books, committee report, RBI website and analysis of different articles. Statistical data that has been made available on different government websites, newspapers and different articles is also referred to analyses the topic and derive a conclusive finding relating to the problem and the recommendation of the committee.

I. INTRODUCTION

Narsimham committee made a decisive change in the year 1991 under the aegis of Mr. Narsimham to regulate and improvise the banking sector. In 1991, after the “balance of payment” crisis an urge for structural reforms was realized. As even at the international front, aftermath of the East Asian crisis, there was a wide collapse of financial sector in the economy. The cumulative effect of both these events has turned our economy into a “fiscal deficit.” The reason of such fall has led to poor credit ratings and less investor participation with falling economy. So, in order to improvise the ease of doing business and to create a stabilized economy it was realized that it is need of the hour to deal with the investors and creditors grievances relating to rise in number of non-performing assets especially with respect to banking sector.

Narsimham Committee has targeted several issues ranging from directed phase credit from improvising agricultural sector to developing banking sector by setting statutory limits of reserves, the committee has placed an important role to improve efficiency, productivity and profitability.

The committee has further laid down the foundation for IBC code as the committee lays down its focus on bad loans and stressed assets because of which the creditors market became distressed as there was no proper mechanism of recovery of debts. Hence, the committee emphasizes on different aspects that can be used to address the problems of rising NPAs and revival of banking and public financial institutions from the losses incurred.

II. AN OVERVIEW OF PROBLEM OF NPA IN BANKING SYSTEM

The Reserve Bank of India (RBI) in its master circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances which dates to 1st July, 2015, has laid down the

detailed guidelines for provisioning of Non-Performing Asset (NPAs) and for classification of assets.⁴ The said master circular defined non-performing assets to include any asset or loan of a bank which ceased to generate income after the borrower fails the repayment of principal amount or interest over it.⁵ The guidelines stipulate the time period of 90 days before an asset can be termed as NPA. This condition for qualifying the NPA is also applicable for the bills purchased and discounted; securitization and derivative transaction undertaken.

The guidelines stipulate further classification of the assets within NPA which are substandard, doubtful assets and loss asset. An asset is 'substandard' if the asset remains NPA for the period of less than 12 Months whereas it would be considered as doubtful asset if it remains NPA for beyond 12 years. Lastly, a lost asset is identified as a loss by bank itself or by the auditors or the RBI, provided the amount is not written off wholly by the bank.⁶

To appreciate the problem of NPA in banking system, it is important to measure the scale of NPA. In Indian banking system, two metrics are being used to measure the NPA viz. The ratio of NPAs to Gross Domestic Product (GDP) and the ratio of NPAs to total loans.⁷ The first method measures the potential losses in comparison to the size of the economies which is useful to compare the problem of NPA with other developing or developed countries economies. However, this method does not indicate that how banks can resolve the problem of NPA through their own resources i.e. capital. The capital availability for the bank is the key factor to resolve the problem of NPA because it increases the ability to reimburse losses. Thus, the ability of bank to withstand the NPAs is best measured in relation to capital. The second method i.e. NPAs to loan ratio suggest to resolve the problem through denominator management-growing the loan books to make NPA ratio smaller. However, the same cannot be relied upon as it assumes that the problem of NPA is external to banking system and not in the weakness of lending process.⁸

The severity of the crises differs when these two different methods are being used to measure the problem of NPA. The current crises become less severe if it is measured in relation to loan ratio rather than bank capital. To make it more apparent let's take the growth rates of NPAs, Capital and Loans from 1997-2001, which were supposedly 8.5% and 9.8%, respectively. During this period, bank capital grew 13.14% and bank

⁴ Master Circular on Prudential Norms on Income Recognition, Asset Classification and Provisioning-Pertaining to Advances, Reserve Bank of India, https://www.rbi.org.in/scripts/BS_ViewMasCircularDetails.aspx?Id=449&Mode=0.

⁵ Id.

⁶ Id.

⁷ Harsh Vardhan et al., The Severity of the NPA crises, Live Mint (May 30, 2017, 08:07 AM), <https://www.livemint.com/Opinion/8ISpQAo5B5Twan0fkPw46J/The-severity-of-the-NPA-crisis.html>.

⁸ Manojit Saha, Asset Quality Review and its Impact on Banks, The Hindu (Jul.17, 2016, 11:10 PM), <https://www.thehindu.com/business/Industry/Asset-Quality-Review-and-its-impact-on-banks/article14494282.ece>.

loans grew 15.87%. The situation is more drastic when compared to the to the GNPA and NNPA growth rates for the period 2011-2015 which were 45.9% and 54.9% respectively.⁹

From the above-mentioned statistics, it is pertinent to mention that during the previous NPA crises, bank capital grew at a higher rate than NPAs. The NPA to loans ratio are higher, and banks were not undercapitalized. Hence, they were in a better position to withstand the NPA crises. But in contrast to previous NPA crises, the current NPA crises represent greater ailments, as the growth rate of the NPAs has been considerably higher than that of bank capital, further underscoring the previous severity of the crises.

The consequence of NPA doesn't only reduces the profitability of the banks but it also puts additional burden upon the banks on provisioning requirements i.e., banks have to make separate provisions for NPAs by setting aside a part of their income from other assets.¹⁰ For example, for the loss assets banks have to make 100% provisioning, same provisioning is required for doubtful assets and for substandard assets it requires 15% general provisioning on total outstanding.

The loan recovery mechanism should be strengthening in order to resolve the problem of NPA, as the rising stress on banks assets quality and a low level of recovery could pose problem for the financial system, which would certainly disrupt the pace of economic growth. The more the NPA get resolved, the more effective credit appraisal and monitoring initiatives could be taken by the bank, thus safeguarding financial system and the economy from the disrupting growth pace.

The Government and the RBI has taken several initiatives to curb the menace of rising NPAs, of which includes setting up of Debt Recovery Tribunal (DRT), enactment of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, introduction of Corporate Debt Restructuring, establishment of Asset Reconstruction Companies (ARCs), the Credit Information Bureau (CIB) and newly incorporated Insolvency and Bankruptcy Code, 2016, these are the significant instrument to extricate the problem of NPAs in the banking system, which is a drag on the economy. In the next chapter, the authors have analyzed the first major committee report i.e. Narasimhan Committee Report I set up for the resolving the NPA crises. Further, the authors have documented the status quo of the implementation of recommendation of the committee.

III. NARASIMHAN COMMITTEE REPORT: ANALYSIS AND PROPOSED RECOMMENDATIONS

Objective

The Indian banking system has made commendable progress in extending the functional and geographical

⁹Id.

¹⁰Supra 1.

approach. The reach of the banks has catered to the extensive needs especially in agriculture and small industry. Despite the far reach of the banks they were suffering losses and increasing number of non-performing assets. So, the committee was formulated to recommend and suggest the changes required to improve the productivity, efficiency and profitability.

Issues addressed by the committee

The committee made an attempt to solve the problems such as –

1. Directed Credit program and investments as in both cases rate of interest that was allowed to banks were pretty low because of which banks were falling into no profit-making businesses.
2. The quality of the loan portfolios was deteriorating because of which there was no income generation.
3. Poor accounting and disclosures practices followed by banks which did not reflect the true affairs of the banks.
4. Failure in work technology as they failed to update themselves with the pace of time which led to poor management of records and files.
5. Expansion of branches in rural areas eroded the profitability of banks because they failed to generate revenues.
6. There was a failure in credit decision making mechanism which was adversely impacting the confidence of investors and depositors.

Hence, the committee has provided with suggestions and recommendations to tackle such situations in order to tackle the problem of NPA and to build investor protection.

Recommendations of The Committee

The committee has laid down recommendations to address the issue of raising NPAs in the banking sector to improve and create a stabilized economy. These recommendations are as follows –

1. Deregulation of interest rates

The statutory liquidity ratio SLR should be regulated and should be brought down to 25% from 40% in a phased manner within a period of 5 years.¹¹ In order to reduce the fiscal deficit, it was proposed that Cash Reserve Ratio should be progressively reduced. This is important so that banks have additional capacity to invest and divest funds to raise capital.

2. Directed Credit Programs

¹¹Reddy, Y.V. (2002a): Monetary and Financial Sector Reforms in India: A Practitioner's Perspective, in: RBI Bulletin, May, pp. 357-374.

Banks were directed to direct credits to priority sectors like agriculture and small enterprises which has long been neglected. However, the committee observed that such directed programs has not served the purpose and rather have become a home of NPAs. So, the committee proposes that such programs should be phased out in toto.¹²

Whereas this recommendation was not accepted on ground of socialist economy and rather the scope of such programs has been expanded and even Information Technologies companies has been included in it. This was done to aim that larger the participants in the programs, lessen the chances of programs failing as banks would have diversified options to recover their loans.

3. Enhancement of Capital

Banks which are failing to meet their capital requirements should be supported by government in terms of direct subscription to capital or by providing a loan in form of subordinate debt.

The banks which are already profit-making should be allowed to enter into capital market for fresh issue of capital in form of mutual funds etc. All this suggested to be allowed to create capital adequacy for proper functioning of banks so that they can honor their liabilities efficaciously. This would also help in gaining investor's confidence and investments which would help banks in revival from the problems or loss suffered because of NPAs.

4. Accounting Measures

The committee recommended that banks following accrual system of accounting should not recognize the income in respect on non-performing assets. Also, it defined NPA to be such on which assets remains past due for a period exceeding 180 days at the balance sheet date. So that only the income generated is reflected which would lead to better account keeping methods.

Balance sheets should be made more transparent and full disclosures should be made as per International Accounting Standards Committee.

5. Classification of Assets

Assets were classified into four categories namely: Standard, Sub-standard, doubtful and loss assets. In regard to these different categories, general provision has to be created to the extent of 10%, 20 to 50%, 100% respectively of the total outstanding of security shortfall in these categories. This was done to curb the problem of NPA so that the probability of banks falling into debt trap can be well calculated and steps are taken accordingly for the same.

¹²Varma, Jayanth R. (2002): Indian Financial Sector After a Decade of Reforms, in: Centre for Civil Society Discussion Paper, pp. 1-41.

6. Assets Reconstruction Fund

These financial institutions could take over the bad and doubtful assets from banks at a discounted price determined by independent auditors on the basis of clear guidelines. The amount if recovered through ARF would make a substantial difference in the balance sheet of banks. So, these funds would help banks fight with the problem of NPAs.

7. No entry barriers on new banks

New banks were given entry subject to the fulfil the start-up capital and other procedural requirements laid down by RBI. Foreign banks should also be allowed entry and the joint ventures between foreign banks and Indian banks are also allowed.

8. Abolition of branch licensing

It was decided that opening and closing of branches should be left at the commercial wisdom of individual banks. In order to expand banking operations, the committee has suggested that no regulations should be imposed on either opening or closing of branches. The intention was that even if one branch falls into debt trap, profits can be recovered through other branches.

9. Access to Capital Market

“The Banking Companies (Acquisition and Transfer of Undertakings) Act was amended to enable the banks to raise capital through public issues. This is subject to the provision that the holding of Central Government would not fall below 51% of paid-up-capital. SBI has already raised a substantial amount of funds through equity and bonds.”¹³

10. Monitoring Mechanism

Banks should be regulated only by RBI and not the duality in operations should exist as a conflict between RBI and Ministry of Finance. Secondly, banks should adopt technological advances and as suggested by Rangrajan committee they should adopt computerization. This is done so that there is proper internal audit and inspection can be done because of which timely detection of bad loans can be done.¹⁴

All these recommendations have been laid down by the committee and it has been mentioned that such recommendations have to be accepted in a phased manner.

Implementation of the Recommendations

The recommendations of the committee have been widely except some such as abolition of branch licensing.

¹³P J Nayak, Banking Sector Reforms in India: Narasimhan Committee 1, 2000.

¹⁴Id.

With respect to deregulation of interest rates, the recommendation has been accepted and it was mentioned that it would be done in a phased manner. Also, SARFESI was implemented which also reflects the acceptance of the recommendations of the committee in the form of Asset Reconstruction. However, there are certain loopholes upon which the committee did not reflected upon but surely the committee has laid down the foundation for development of investors protection.

IV. THE PROBLEM OF RISING NPA AND EFFECTIVENESS OF DEBT RECOVERY TOOLS

The former RBI governor, UrijitPatel has put forth the figures related to reduction of NPA before the Parliamentary Standing Committee on Finance which shows that the reduction of 1,50,960 NPA was mainly through write-off. Below the table of figure:

Table 1:

	Public Sector Banks	Private Sector Banks
New Accretions to NPAs	2,37,475	60,800
Total NPA reductions	1,50,960	46,091
Reduction in NPAs due to upgradation	25,297	11,103
Reduction in NPAs due to write-offs	84,272	18,571
Reduction in NPAs due to actual recoveries	41,391	15,752
Gross NPAs	7,77,280	1,07,796

All figures as in Rs. crore, as of December 2017.

Source: The Hindu

Table 1 figures clearly shows that reduction of 55% of NPA accounting to Rs. 84,272 for the Public Sector Banks (PSB) was the result of write offs. Further, the situation has been worsened by the addition of Rs. 2,37,475 crores of NPA. Only 27% of the recoveries or Rs. 41, 391 Crore was due to actual recoveries and additionally Rs. 25,297 crore worth of loans were reduced due to upgradation from NPA status. Also, most importantly Gross NPAs with PSBs stood for Rs. 7,77,280 at the end of December 2017, up from Rs. 5,39,968 crores on March 31, 2016.

As far as Private Banks are concerned, nearly 40.2% of the reduction in their NPA levels was due to write-offs. Actual recovery accounted for 34.2% of the reduction, while upgradation accounted for 24.1% of the reduction. Gross NPAs accounted for Rs. 1, 07, 796 crores, up from Rs.55, 853 crores as on March 31, 2018.

This figure shows draconian period that banks were facing. The management of NPA is critical for the sustainability of the banking system, for reducing disruption in the financing real sector activities and for containing any possibility of macroeconomic instability. The rate of recovery of the NPA through other channels such as Lok Adalat, Debt Recovery Tribunals, SARFAESI Act has also fallen to 9.8% from 22% at the end of March 2017.¹⁵

Recovery of NPA through SARFAESI Act

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act has been enforced from 21st June 2002. This enactment of this act marks the major development in evolving institutional infrastructure for financial regulation. It empowers bank to recovers loan from institutions without intervention of the court. The act also establishes Securitization Companies/Reconstruction Companies (SCs/RCs) for smoother realization of long-term assets, managing the problem of liquidity, curbing asset-liability mismatch and improving recovery by exercising powers to take possession of security, sell them and also reducing NPAs by adopting measures for recovery or reconstruction within the framework of the act.

Table-2

Year	Cases Referred (in No.)	Involved Amount (in crore)	Recovered Amount (In crore)
2010	78,366	14,249	4,269
2011	1,18,642	30,604	11,561
2012	1,40,991	35,300	10,101
2013	1,90,537	68,100	18,500
2014	1,94,707	94,602	24,402
2015	1,75,355	1,56,800	25,600

¹⁵ C.P. Chandrasekhar et al., The banking Conundrum, Non-performing Assets and Neo-Liberal Reform, Economic and Political Weekly, March.2018, at 130.

2016	1,73,582	80,100	13,200
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Source: RBI Reports in trends and Progress of Banking in India, RBI.

The above table shows the data for the period from 2010 to 2016 providing the inputs of NPA recovery by SARFAESI Act. The table shows that although the number of cases and amount involved has increased, the recovery of the amount has worsened. The rate of recovery from the year 2010 has drastically reduced to 16.50% from 30% in the year 2016.

Recovery through Debt Recovery Tribunal

The debt recovery tribunal has been established by Recovery of Debts Due to banks and Financial Institution Act, 1993 to assist the banks in speedy recovery of NPA OF 10 lacks or above.

Table-3

Year	Cases Referred (in no.)	Involved Amount (in crore)	Recovered Amount (in crore)
2010-11	12,872	14,092	3,930
2011-12	13,365	24,100	4,100
2012-13	13,408	31,000	4,400
2013-14	28,258	55,300	5,300
2014-15	22,004	60,400	4,200
2015-16	24,537	69,300	6,400

Source: RBI Reports in trends and Progress of Banking in India, RBI

Table-3 shows the inputs regarding recovery of NPAs by SCBs through Debt Recovery Tribunal from the period of 2010-11 to 2015-16. It is clear from the above-mentioned table-3 that the referred cases for NPAs recovery to DRTs during this period has significantly increased; similarly, the amount involved has also shown increment, but when arriving to the rate of recovery, it has again disappointed from the fact that in the year 2010-11 the recovery rate was 27.89% which was slipped to 9.20% in the year 2015-16.

The effectiveness of these laws, however, to address the problem of NPA has been under serious doubts. The loopholes in these laws are being effectively used by the willful defaulters to avoid the repayment of loans. The major problem was that these laws are not creditors friendly. Becoming sick, unviable and declaring insolvency

has been a fancy way to default and the borrower-friendly insolvency legal framework compelled banks to accept whatever terms and conditions imposed upon them by the borrowers.

The average time to resolve an insolvency proceeding in India, 4.3 years, was far higher than the time taken in developed economies (see Table 6). In fact, in a World Bank study, India ranked 186th on the list of 200 nations where data was available (see Table 7). All the above data points validate the hypothesis that the legal and regulatory framework for addressing insolvency and bankruptcy were grossly ineffective during the study period.¹⁶

V. INSOLVENCY AND BANKRUPTCY CODE: IS IT EFFECTIVE FOR SOLVING THE PROBLEM OF NPA?

Insolvency and Bankruptcy code is the outcome of Banking Law Reform Committee (BLRC) which recommended a complete overhaul of the legal and institutional framework governing insolvency.¹⁷ The earlier laws governing insolvency was contained in the Recovery of Debts due to Banks and Financial Institutions Act, 1993, The Companies Act, 1956, The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the Sick Industrial Companies Act, 1985 and the Individual bankruptcy was covered by the Provincial Insolvency Act, 1920 and by the Presidency Towns Insolvency Act, 1909. The BLRC suggested a completely different approach towards resolving the insolvency from ‘debtor in possession’ to ‘creditor in control’ model. The new IB Code seeks to establish a comprehensive law to cover insolvency of companies, individual, partnership firms in a time bound manner.¹⁸

Under the new law, a financial creditor is defined as “any person” to whom a financial debt is owed whereas an operational creditor is one on whom an operational debt is owed. A financial debt, in broad terms, is money borrowed against interest. Sections 7, 8 and 9 of the code details the procedure for initiation of corporate insolvency resolution process by the creditors.

The resolution process must be completed by the adjudicating authority within a period of 180 days. However, a maximum extension of another 90 days shall be given. The code further provides, under Section 16, for the appointment of an interim resolution professional (IRP) by the adjudicating authority. Once an IRP is appointed, the management of the affairs of the corporate debtor vests in the IRP and the powers of the board of management or the partners, as the case may be, stand suspended under Section 17 of the code.

A committee of creditors is constituted which in turn appoints a resolution professional (RP) to manage the affairs of the company and conduct the corporate insolvency resolution process

¹⁶ T.K. Vishvanathan, Banking Law Reform Committee, Ministry of Finance, Government of India

¹⁷ Id.

The recent data released by the central government on the cases admitted to the IBC has shown that recovery under IBC code has been huge than other modes of recovery.¹⁹ For the 701 cases admitted under the National Company Law Tribunals (NCLT), and claims admitted on 21 accounts for an amount of Rs 99 billion, the recovery has been Rs 49 billion, indicating a haircut of about 50 per cent.²⁰

VI. CONCLUSION

The recommendations of the committee have somewhere reflected the need for investors and protection of financial institutions. When a country has sound mechanism for revival of debts, it automatically acts as a hub for investment as it provides an assurance that such financial institutions and creditors will not be without any remedy. The recommendation of the committee has surely been given to ease the doing of business be it by entry of foreign banks or allowing joint ventures.

Although because of poor implementation of the recommendations and lack of harmonization between different forums there has been loopholes that existed because of which the overhaul dynamics of rising NPAs in the Indian Banking Sector is exerting pressure upon the government and RBI to address the problems of NPAs. The accumulation of NPAs acts as a termite on the banks' balance sheets of the banks, which is ought to be supported by sound risk management practices in each bank, where RBI's regulatory role in such predicament situation became exigent. The banks on their level should also devise a stringent loan recovery mechanism, which would closely follow the progress of each loan account. Thus apparently, the health of the banking sector should be restored urgently, as the NPA problem can jeopardize into a real economic crisis worse than that of 1991. Therefore, the calls for building adequate regulatory frameworks, comprehensive reforms and a strong resolution and supervision policy is the need of the hour to outpace banking sector of India.

¹⁹ Anup Roy, Bank's recovery improves after insolvency code, changes in sarfaesi: Report, BUSINESS STANDARD, https://www.business-standard.com/article/economy-policy/insolvency-and-bankruptcy-code-improved-recovery-for-banks-says-rbi-report-118122801074_1.html.

²⁰Id.