

1. Do you think that the court-ordered interest waiver and bad loan recognition ban undermines economic justice? Examine.

Recently the apex court of India has ordered the Central Government for a interest-on-interest waiver and banning bad loan recognition in the present COVID-19 period for which EMI has not been paid off. It is certainly a welcome step for the Supreme Court in the hard times.

"SOCIAL JUSTICE V/S ECONOMIC JUSTICE"

"DESPERATE TIMES REQUIRE DESPERATE MEASURES"
- by Henry Jr.

Key Facts:

1. Indian population = 130 crore
2. Deposit accounts = ₹144 lakh crore
3. Loan amount = ₹110 lakh crore

Interest on Interest waiver and ban on bad loan recognition

1. COVID-19 has hardened the life of all the citizens of India

2. Loanee are not ~~after~~ ^{able} to pay their monthly EMI.
3. Hence there should be interest-on-interest waiver as people will pay amount as life smoothers.

Importance:

1. As per Indian Bank Association and RBI Financial Stability Report, the Bad loans has decreased at 2% from its growth rate from past decade.
2. Thus people if given chance will necessarily pay their loan back.
3. Social Justice:

1. Economy will recover at any time
- 2- But people life dont as it is a complex issue once if their collateral are forfeited

Issues: ⇒ UNEMPLOYMENT, POVERTY

1. India's loan amount is ₹ 110 lakh crore
- 2- So many Indians has defaulted in their payment.
- 3- So bad loan recognition will certainly lead to unemployment and poverty to people.

Thus the apex court is a welcome step and the Indian bank should bear their economic hardship for the temporary period