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09/07/2018

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What is Project Sashakt? with it helps to solve the bad loans crisis in India? Discuss.

Project Sashakt comprises of a bank led resolution and 5- Pronged strategy to resolve stressed asset called. It seeks to ensure operational turnaround of the banks and stressed companies so that the asset value is retained.

Five- Pronged Resolution

- 1) SME resolution approach
- 2) Bank led Resolution approach
- 3) AMC/AIF led Resolution approach
- 4) NCLT/IBC approach
- 5) Asset trading platform.

Under Project Sashakt Banks have to set up a Committee for resolution of bad asset below 50 crore within 90 days. And it is suggested that a Bank led Resolution should be made for asset between 50 - 500 crore within 180 days. and an Independent Screening Committee to examine such resolution. If there is no resolution within 180 days then the asset has to moved to the National Company Law Tribunal (NCLT)

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दीजिए

उम्मीदवारों को इस  
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For asset of the value above Rs 500 crore the loans will be dealt by AMC/ AIF-led resolution process. It also proposed to create National Asset Management Company to take over such NPA from banks.

At present 3 main problems are being faced by the banks in NPAs. Firstly the Fragmented decision Making and there are too many banks. So through an Inter Creditor agreement all banks come to a common rules in respect of Stressed Asset.

Secondly, the ability of Asset Reconstruction Company to buy a big asset. The ARC's don't have huge capital to buy such an asset. And lastly the Redemption Record of ARC's. Hence the project Sashakt may provide a development in reducing the Stressed asset in the Country.

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