Corporate debt in india

Literature, Russian Literature

Corporate debt in India From this article it can be learnt that, due to the reducing in the inflation level in India the government through the ministry of finance and the reserved Bank of India, have decided to maintain the banks interest rates at 8%. Also, the Indian government is looking for a way of dealing with the deficit in the country for the coming years.

Despite the effort that the India has put in containing its economic standard still, it faces some implications that lead to drop of the economy level. It is seen in the weak credit growth and poor investment. The projection of debt causes all this. According to a recent analysis by IMF, Firms in India are heavier borrowers, measured by debt-to-equity ratio, as compared to those in the other emerged bar Brazil. It makes the bank is not able to fund new investment since they are weighed down by disappointment loan. A number of India's private debt is owned, but companies and many debt-ridden firms had no earnings at all. The court process in India is slow especially in the circumstance that involves where banks expect to get back their money back while the borrower is getting into the trouble.

Solution to this problem is, for the government to contain the situation they have to look for a way to stimulate the court process. The court should have a framework for dealing so that the banks should not be delayed in obtaining back their money. There should be a way of sign off on an all-important detail of the firms that have invested heavily in their in the go-go years.

Work cited

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