

India's Bad Loan Rate Soaring to Near 10% Dwarfs China's

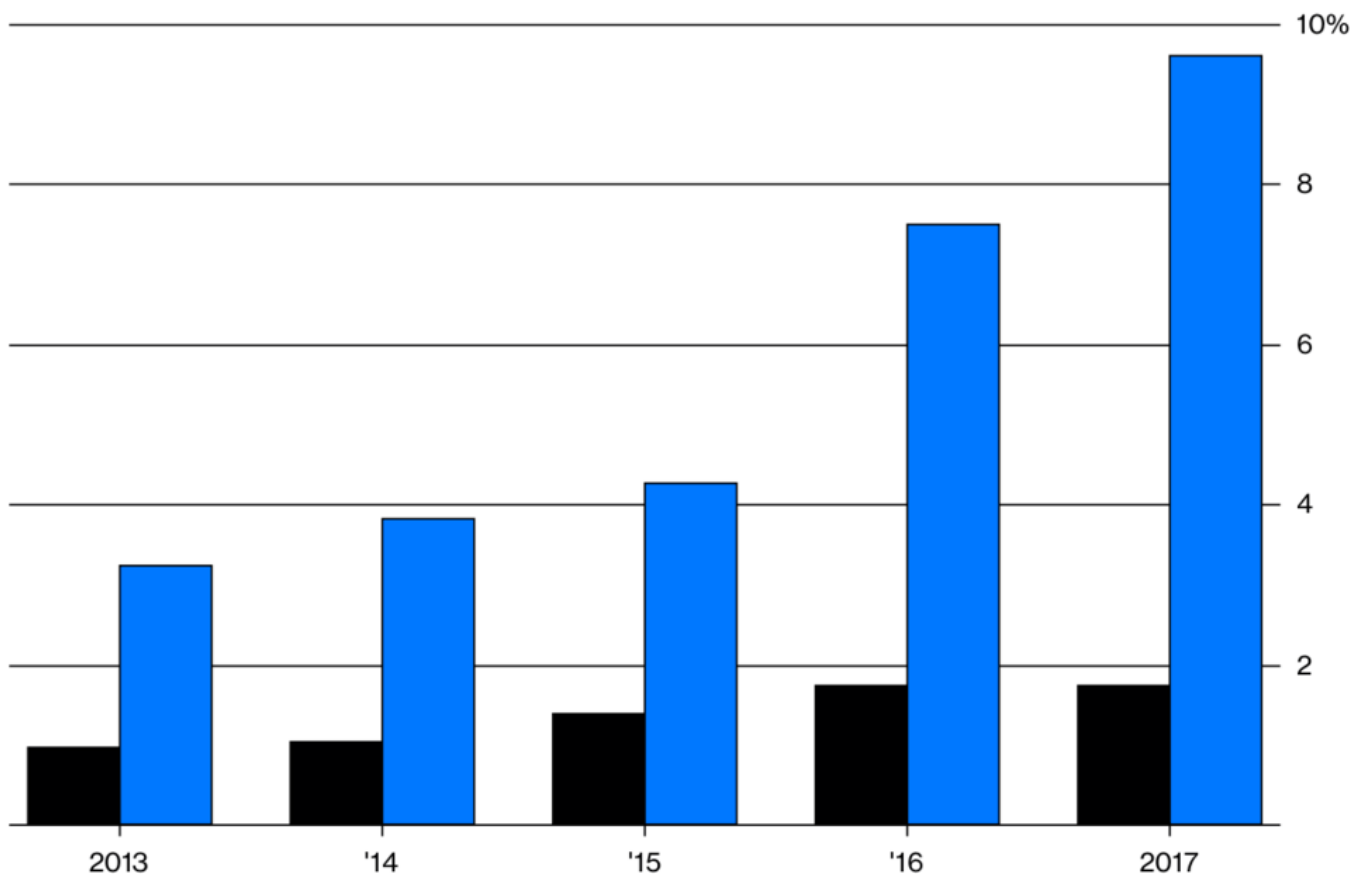
Bank regulators taking steps to help lenders shore up capital

By Lianting Tu and Anurag Joshi

No Contest

India's non-performing loan rate has surged far beyond China's

■ China ■ India



Note: In China, loans are counted as non-performing when payments are overdue by at least 91 days and the borrower can't fully service the debt. In India, loans that are not serviced for more than 90 days are counted as non-performing.

Data: CBRC, RBI; graphic by Bloomberg Businessweek

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Ballooning non-performing loans at Indian banks are grabbing global attention, while non-performing assets at Chinese peers appear stable. India's capital market regulator has directed listed companies to report loan and bond defaults within one working day, and authorities are

discussing a “package of measures” to help state lenders shore up capital. New mechanisms for dealing with debt disputes and an overhaul in India’s bankruptcy laws will improve bad asset resolution, and non-performing loans have peaked, according to Rajesh Mokashi, managing director at CARE Ratings Ltd.

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