THE PASSAGE | READING COMPREHENSION

> The resolution of bankruptcy cases of Indian banks under the Insolvency and Bankruptcy Code should help bring non-performing assets (NPA) situation under some control. Despite the slow pace of resolutions by the National Company Law Tribunal, the Code can be helpful in cleaning up bank books in future credit cycles. The recapitalisation of public sector banks too can help increase the capital cushion of banks and induce them to lend more and boost economic activity. But bad debt resolution and recapitalisation are only a part of the solution as they, by themselves, can do very little to rein in reckless lending that has pushed the Indian banking system to its current sorry state. Unless there are systemic reforms that address the problem of unsustainable lending, future credit cycles will continue to stress the banking system.

Which one of the following statements best reflects the most logical, rational and practical suggestion implied by the passage given above?

Implied Suggestion · But Pivot · Hidden Trap: an option that sounds like banking policy but is not in the text

(a) Lending by the banks should be closely monitored and regulated by the Central Government.
The passage names no regulator. It asks for systemic reform.

(b) Interest rates should be kept low so as to induce banks to lend more, promote credit growth and thereby boost economic activity.
The problem is reckless lending, so pushing more lending is the opposite.

(c) Merger of many banks into a few large banks alone is the long-term solution to make them viable and prevent their bad performance.
Mergers are not mentioned, and 'alone' contradicts 'only a part of the solution'.

(d) Indian banking system requires structural reforms as a long-term solution for bad loans problem. ✓
The final sentence: unless systemic reforms address unsustainable lending, stress will continue.

CRACK THE HIDDEN RULE

The suggestion in a passage hides after the pivot word 'But' or 'Unless'. Everything before it is what has been done, and everything after it is what is still needed.

Pick the option that names the missing piece, not the measures already listed.

Done: debt resolution + recapitalisation. Missing: systemic reform.

ALREADY DONE	PIVOT	MISSING PIECE
Resolution of bad debt, recapitalisation	**'But... only a part'**	**Systemic reforms for lending**

WORKED IN 3 CLEAN STEPS

1 List what is already done
Insolvency resolution and recapitalisation of banks.

2 Find the pivot
'But' these are only a part of the solution, and 'unless' systemic reforms address unsustainable lending, stress continues.

3 Match the missing piece
(d) asks for structural, long-term reform. (a), (b) and (c) bring in a regulator, low rates or mergers, none of which the passage suggests.

ANSWER: (d) Indian banking system requires structural reforms as a long-term solution

THE 3-SECOND SHORTCUT

Go straight to the sentence with 'unless' or 'but'. The suggestion is the thing it says is missing. Cross out options built from the measures already mentioned or from ideas never mentioned.

find the pivot word · suggestion is what is missing · cross out new ideas

→ The word 'alone' in (c) clashes with 'only a part of the solution'.
→ Option (b) pushes more lending, while the passage blames reckless lending.

WHY ASPIRANTS LOSE MARKS HERE

1. **Choosing (b) because the passage mentions boosting activity.** That is a benefit of recapitalisation, not the suggestion.
2. **Choosing (a) because lending is the problem.** Who regulates is not in the text.
3. **Choosing (c) because a merger sounds like a long-term fix.** Not mentioned, and 'alone' overstates.

ATTEMPT	FLAG	SKIP
~45 sec	if (a) feels close	rarely
Pivot word shows the answer.	Check whether the passage names that regulator.	Easy once you read the last sentence.

THE ONE-LINE TAKEAWAY

The suggestion hides after 'but' or 'unless'. Pick what the passage says is still missing.

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