

NBFC sector calls for urgent attention: SBI report

1 min read . Updated: 02 Jul 2019, 06:25 PM IST

IANS

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New Delhi: The Non-Banking Financial Company (NBFC) sector, which is amidst a liquidity crisis after a series of defaults by IL&FS, is in need of urgent attention, an SBI report said on Tuesday.

"Till March 2020, ₹4.75 trillion of bonds and papers of NBFC sector are set to mature. Further, most of the NBFC exposure is to the realty sector," it said.

"Measures in respect of some lapses in the NBFC sector are required to send a strong message. This is all the more urgent since if the NBFC sector's health does not improve, banks will have to face fresh round of NPA provisions going forward," the report noted.

Addressing the NBFC sector issues and making MSMEs the engine of growth should be the focus in the Budget exercise, it stressed.

Highlighting another point of concern, it said that a big push to the term loan will boost the agricultural sector.

Further, setting up of an Agri-marketing Reforms Council (AMRC) on the lines of the GST Council and an exclusive focus on harnessing the rapidly shrinking water resources also deserve higher priority, it said.

Regarding the banking sector, the report stressed on an immediate need to augment the number of National Company Law Tribunal (NCLT) benches so that the resolution system does not get choked.

This story has been published from a wire agency feed without modifications to the text. Only the headline has been changed.

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