

MSMEs seek easing of NPA, compliance rules

Small Indian businesses have sought relaxation in compliances and norms governing classification of non-performance assets (NPAs).

The Federation of Indian Small and Medium Enterprises (FISME) also pitched for creation of a “war-room” to monitor prices of key raw materials used by the sector, claiming that suppliers are increasing prices in the wake of the pandemic and rationalisation of import duties.

“The Special Mention Account (SMA) framework has been devised for normal times,” FISME president Animesh Saxena said in a letter to finance minister Nirmala Sitharaman. “Now the payment cycles are longer and markets are disrupted. Banking cannot be just excel-sheet based; the system ought to provide much-needed flexibility to the banker so that these facts could be factored in.”

Saxena said there is “urgent need” to revise the norms for Covid years.

Meanwhile, the government said it may create an omnibus legislation providing protection from prosecution and penalties due to non-compliance during the pandemic up to March 31, 2022.

(Economic Times)