

# This is time for India... can't miss the bus: FM

## Also asks India Inc to clear dues to micro, small, and medium enterprises

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Union Finance Minister Nirmala Sitharaman on Tuesday asked big corporate houses to clear dues to micro, small, and medium enterprises (MSMEs) and said smaller businesses will need equal support from both the government and larger established firms.

The minister also asked the industry captains on why they are hesitant in investing in manufacturing at a time when foreign investors had expressed so much confidence in India. "This is the time for India... We cannot miss the bus," she said at the Hero Mindmine Summit.

She said support to MSMEs was not just what the government can give and it was certainly largely dependent on that. "There are pending payments from central and state governments and central and state-owned entities. But I was surprised to find that considerable due pending payments were also from the big industries," the finance minister said.

Sitharaman said while she could push public sector undertakings (PSUs) and departments and can request states, "I can only appeal to the industry. For all the tears that we shed for the MSMEs, can we limit the time by which the MSME get dues?"

It is encouraging that larger companies are including the amounts owed to MSMEs in their annual statements, but they also need to clear these dues, she said.

According to reports, India's MSMEs were owed dues worth ₹10.7 trillion at the end of 2021. The delays in payments are from private customers, government departments, and PSUs. Of this, MSMEs are owed ₹8.73 trillion, or 80 per cent of the total pending amount. Micro industries are the worst hit with 65.73 per cent of their payments being delayed.

Sitharaman said in the public's perception, all these dues are from the govern-

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FINANCE MINISTER



ment, a perception she set out to correct.

The legally recommended period for payment of dues to the MSME sector in India is 45 days. However, in 2020-21 it stood at 195 days for micro industries.

The government has set up a portal,

MSME Samadhan, for clearing unpaid federal dues to MSMEs. According to data on that website, ₹19,499 crore worth of cases have been filed with regards to unpaid dues, and ₹4,859 crore worth of cases have been dealt with.

### Bilateral rupee trade

Sitharaman said many countries had shown interest for bilateral trade in the rupee after the RBI announced a mechanism recently. "It isn't the ruble-rupee which was in the old format. Now this is a bilateral rupee trade formulation, which I am glad the RBI has come up at a time which was so critical." "Post-pandemic, India is coming up with so many out-of-the-box solutions. I would like to highlight the fact that we are a lot more open with the Indian economy, a lot more open in the way we are talking to countries, we are willing to have our digital platform become interoperable between countries to enable cross-border transactions," she said.

Drawing a parallel between India Inc and mythological character *Hanuman*, Sitharaman said: "I would equally want to know from the Indian industry why is it that it is hesitant to invest...Is it like *Hanuman*? You don't believe in your own capacity, in your own strength and there's got to be someone standing next to you and say you are *Hanuman*, do it? Who is that person going to tell *Hanuman*? It can't certainly be the government."

### 'Freebies issue calls for debate'

Later in the evening, at an event in the Delhi School of Economics, Sitharaman reiterated an earlier point and said there needs to be more debate on the whole issue of 'freebies'. Speaking at the launch of a book co-authored by 15th Finance Commission Chairman NK Singh and Principal Secretary to Prime Minister, P K Mishra, Sitharaman said the authors had touched upon the topic.