

FM asks ministries to speed up spending to boost growth

Pitches To Fast-Track Payment Of Outstanding To MSMEs

TIMES NEWS NETWORK

New Delhi:

Finance minister Nirmala Sitharaman on Friday asked ministries to provide capital expenditure plans for the next four quarters and accelerate payment of dues to micro, small and medium enterprises (MSMEs), contractors and vendors as she detailed the government's plans to fast-track spending to boost growth.

She also said a large chunk of pending dues to MSMEs, contractors and other vendors have been cleared and out of Rs 60,000 crore dues, Rs 40,000 crore has been released and remaining Rs 20,000 crore would be released by the first week of October.

The MSME sector had complained about delayed payments and the government has swung into action to get the issue resolved and ensure funds are not a constraint for the sector.

FM said the government's capital expenditure was on track and budget estimates would be achieved, highlighting the efforts to get engines of the economy roaring again after GDP growth slowed to an over six-year low of 5% in the April-June quarter of the current financial year. The government has unveiled a series of measures, including a sharp cut in corporate tax rates and is hopeful that growth will revive in the second of the financial year.

The FM said private banks and NBFCS have told her that consumption is good and there is growing credit offtake. She said this should ensure good consumption buoyancy in the festival season.

Expenditure, both revenue and capital, made by the Centre provides a major boost to aggregate demand. Total expenditure of the central government for FY 2019-20 through the budget is pegged at Rs.27.86 lakh crore. Of this, capital expenditure is budgeted at Rs 3.38 lakh crore

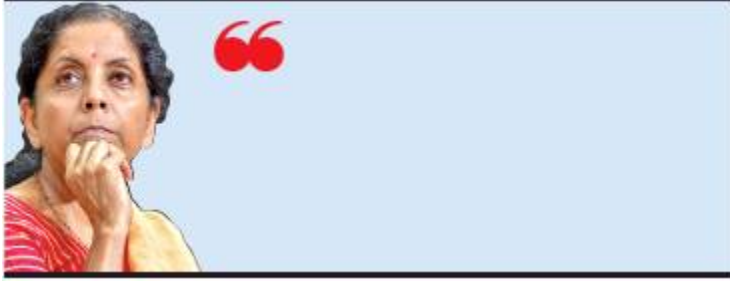
(12.2%) as against the revenue expenditure of Rs 24.27 lakh crore (87.8%).

During review, the finance minister impressed upon the ministries that regular payments must be cleared expeditiously as it spurs investment cycle. She emphasised that all efforts must be made to ensure that outstanding payments are cleared before the festival season.

Expenditure secretary G C Murmu said central public sector enterprises (CPSEs) had released payment of Rs 20,157 crore in the last three months. He said that department of expenditure would constantly monitor the progress of large infrastructure projects for the ministries as well as the CPSEs and followup meetings would be held.

He informed that meetings with the ministries to assess revised estimates for 2019-20 and the budget estimates for 2020-21 would be initiated from the middle of October 2019. Departments were asked to

make accurate assessment of resource requirements and make projections. This would enhance allocative efficiency, he said.



Government should not sit on overdue payments. We don't want to sit on overdue payments. Money should be going to the ground

> We are committed to expenditure that has been put in the budget. No funds should lapse

NIRMALA SITHARAMAN | FINANCE MINISTER