

Local Procurement for CPSU's - Goan MSME's poised to prosper!

The Public Procurement Policy introduced by the Government of India in 2012 mandates that broadly 25% of the entire procurement of the Central Public Sector Undertakings (CPSUs) need to be sourced locally from the State in India in which they operate in. To educate MSMEs about this policy, World Trade Center Goa organised a Vendor Development Programme (VDP) in association with the MSME Development and Facilitation office for CPSUs operating in Goa like the Goa Shipyard Limited, Indian Oil Corporation Limited and Konan Railway Corporation Limited. The VDP was a huge success with 100+ MSMEs attending and participating in all the deliberations of the two-day event.

Chief Guest **Mr. Sunil Bagi, Director Finance, Goa Shipyard Limited (GSL)**, in his address highlighted GSL's positive approach toward encouraging local vendors in its procurement initiatives. He mentioned that Vendors dealing with GSL should be assured of their payments being realised on time so that they do not suffer any sort of *inadequacy* in their working capital requirements. Mr Bagi also encouraged more MSMEs to register as vendors on the Government e-Market Place (GeM) portal as the CPSU sourcing is primarily done through this portal.

Mr. M. K. Meena, Joint Director, MSME Development and Facilitation Office (MSME – DFO) Goa while speaking on the occasion said that MSMEs are the back bone of the economy and they also play a vital role in the supply chain for large organizations. He said that this VDP will give MSMEs an opportunity to understand the vendor registration process as well as an idea of the products required by CPSUs for undertaking local procurement. Mr. Meena was positive that the MSMEs present at the programme would get a good opportunity to locally supply not only the mandated 25% but also beyond that, for which he opined that they should gear up with enhancing the quality and output of their products.

Dr. Jennifer Kamat, Ex Chairperson, Women's Wing of Goa Chamber of Commerce & Industry, in her address remarked that women entrepreneurs of Goa have come a long way and are now playing an active part in the business environment of Goa. She was confident that women entrepreneurs would benefit by the deliberations of the VDP and play an important role in helping CPSUs develop a local vendor base, while taking full advantage of the reserved procurement from women entrepreneurs which the CPSUs have been mandated to fulfil.

Mr. P. P. Kulkarni, Assistant Director – MSME DFO, Goa, noted that MSMEs are a vital source of Raw material for large industries as well as play a huge role in enhancing the employment opportunities. He said that in the year 2019-2022 MSMEs grew at a very encouraging rate despite the Pandemic. He further mentioned that the Government of India is constantly working to understand the challenges faced by the MSMEs and is making efforts to introduce new schemes for their growth. Mr. Kulkarni concluded his address by advising MSMEs to register on the GeM portal if they desire supplying to the CPSUs. Doing so would ensure that they receive information on the products and services that are required by the CPSUs from time to time.

Ms. Nehali Savaratkar, Assistant Relationship Manager, Receivables Exchange of India Limited (RXIL) while speaking about the TReD portal said that it is a platform that facilitates financing of MSMEs trade receivables through multiple financiers. She highlighted that the TReDs portal is licenced and regulated by the Reserve Bank of India and enables the Central and State Government buyers to comply with the MSME Act. She also explained how the TReDs system works, factoring

process flow, reverse factoring process flow, benefits for MSME like quicker payments, option of choosing multiple financiers and how MSMEs could borrow funds at a lower cost.

Speaking on the occasion, **Mr. Kenneth Alfonso, Business Facilitator, GeM portal**, gave a detailed presentation on the GeM portal. He explained in detail how products can be listed on the GeM portal and spoke at length of the different aspects that the MSMEs need to know for successfully registering their products on the portal. Mr Alfonso also held a brief Q&A session in which he addressed vital queries that MSMEs had on the functioning of the GeM portal and the challenges they faced while registering.

Mr. Yogesh Sahore, General Manager (Contract Cell), Marketing Division, Indian Oil Corporation Limited (IOCL) Western Region, said that IOCL not only runs refineries and facilitates pipelines for distribution of Petroleum Products. It also undertakes marketing activities, research and development exploration and production of petroleum products and natural gas. He explained IOCL's procurement process in detail and mentioned that items like mild steel barrels, HDPE containers, corrugated cartons and certain chemicals were highly reserved for MSMEs. Further Mr. Sahore explained the tendering process and highlighted that there is a 3% reservation for procurement from women owned MSMEs and a 4 % reservation for entrepreneurs belonging to the Scheduled Castes and Scheduled Tribes (SC and ST).

Ms. Neela Selvan, Deputy Chief Materials Manager, Konkan Railway Corporation Limited (KRCL) spoke about the benefits of Udyam registration. She also highlighted the role of the Central Government of India in empowering the SC-ST entrepreneurs to participate in the local procurement process. In addition, Ms. Selvan also spoke at length on the Public Procurement Policy and the hand holding support that the KRCL offers to encourage more local entrepreneurs to succeed as vendors to KRCL.

Mr. Cyril Desouza, Assistant Director – Trade Promotion, World Trade Center Goa, in his address said that he was happy to note the steps that GSL has taken to address the vital issue of on-time payment made to MSME suppliers and vendors for all procurements facilitated from them. He said that this will not only enable the MSMEs to receive timely payments for supplies made, but will also encourage them to increase the quantity and enhance the quality of their goods and services. This will help MSMEs explore export markets that can be tapped through World Trade Center's network in almost 100 countries.

An exhibition by GSL was also held on the occasion.

The vendor development programme was held on January, 11 and 12, 2023 at the GSL Officers Recreation Club, Goa.



(From left to right): Mr. P. P. Kulkarni, Assistant Director – MSME DFO, Goa; Mr. Mahesh Malkanekar; Chief General Manager (Operations), Goa Shipyard Limited; Mr. Sunil Bagi, Director Finance, Goa Shipyard Limited (GSL); Mr. M. K. Meena, Joint Director, MSME Development and Facilitation Office (MSME – DFO) Goa; Dr. Jennifer Kamat, Ex Chairperson, Women’s Wing of Goa Chamber of Commerce & Industry and Mr. Cyril Desouza, Assistant Director – Trade Promotion, World Trade Center Goa.