

**❖ Steps initiated/activities undertaken by POWERGRID for MSE promotion, development and enhancing the procurement from MSEs under Implementation of 25% prescribed procurement from MSEs by POWERGRID under the Public Procurement Policy:**

POWERGRID has taken various initiatives which are in line with Public Procurement Policy (PPP) for Micro and Small Enterprises (MSEs) Order dated 23<sup>rd</sup> March 2012 for MSE promotion, registration, development and enhancing the procurement from MSEs for Products / Services in the ambit of PPP for MSEs Order, 2012. The initiatives are summarized below:

- i. Tender documents are made available to MSEs free of cost.
- ii. Free of Cost MSE Vendor Assessment.
- iii. Suitable provisions in respect of purchase preference upto 25% from MSEs including 4% from MSEs owned by SC/ST Entrepreneurs and 3% from MSEs owned by Women Entrepreneurs have been incorporated in the Bidding Documents for all procurement (Supply-Divisible) packages under domestic funding.
- iv. Suitable provisions have been incorporated in the Bidding Documents for supply-cum-installation and turnkey type contracts to encourage main contractors to source items, components, raw materials, services etc. from MSEs required for completion of scope of works by the main contractors.
- v. Financial Position in Qualification Requirements (QR) (MAAT & LA) has been relaxed for MSEs, as per which MSE, meeting 80% of the financial requirements, shall be considered to meet the financial QR for the Package. For packages valued less than ₹ 5 Cr., financial requirement in QR is waived for MSEs.
- vi. All the procurement centers of POWERGRID are directed to procure items reserved for MSEs as per the PPP for MSEs (358 items) only from MSEs.
- vii. Introduction of a distinct approach i.e., Exclusive Tenders for SC/ST and Women MSEs wherein only SC/ST and Women MSEs are eligible to participate the tenders for certain Goods and Services to further boost up the procurement from SC/ST & Women MSEs.
- viii. The annual procurement plan for the Goods and Services in the ambit of PPP for MSEs along with the details of Items/Goods and Services has been made available on POWERGRID's website.

- ix. Monthly Procurement data are being updated on MSME-SAMBANDH Portal. Further, details of Vendor Development Programs, list of Items being procured by POWERGRID and Annual procurement targets in the ambit of PPP for MSEs for has also been updated on SAMBANDH Portal.
- x. POWERGRID is encouraging MSEs for registration on Government e-Marketplace (GeM) Portal, detailed guidelines for registration on GeM Portal are available at POWERGRID's website.
- xi. Effective Payment: POWERGRID has demonstrated exemplary compliance with the 45-day payment mandate through consistent process improvements and around 92% MSE Payments are made within 14 days. Further, POWERGRID is also registered at all 4 nos. of Trade Receivables Discounting System (TReDS) Portal.
- xii. POWERGRID Project Procurement being capital & technology intensive in nature and having very few MSE vendors offering Products & Services under these categories, pose a challenge for Procurement Centers for meeting the requisite target & sub-quota fixed for the SC/ST and Women entrepreneurs under the Public Procurement Policy. With these continuous efforts, the percentage of MSEs contribution in the Procurement of Product and Services under the Ambit of PPP for MSEs, Order 2012 has been on increasing trend and every year more and more MSEs are becoming part of POWERGRID Procurement Process.

### ❖ Vendor Development Programs (VDPs)

POWERGRID has been conducting/participating in various VDPs under different categories and adequate participation has been achieved, the details of which are as given below:

- **VDPs & SVDPs at Corporate and Regional Level**

POWERGRID has been conducting various Vendor Development Programs (VDPs) for MSEs and Special VDPs for SC/ST & Women Micro and Small Enterprises at National and Regional level. These VDPs have been conducted in association with National/Regional SC/ST Hub across Pan India, regional MSME Development Institutes (DIs), National Small Industries Corporation (NSIC) and regional industrial bodies such as FICCI, Indian Chamber of Commerce (ICC), EEPC India, Dalit Indian Chamber of Commerce and Industry (DICCI), IPF SME forum, and Women Entrepreneurs Cell (WEC).

▪ **Participation in various other Buyer – Seller Meets, Seminars and Promotional Events**

POWERGRID has been consistently participating in Buyer – Seller meets being organized by different CPSUs, Industrial Bodies like CII, FICCI, Federation of Gujarat Industries, Indian Chamber of Commerce (ICC) etc. and with Government organizations working for development of MSEs such as Ministry of MSME, MSME Development Institutes (DIs), National Small Industries Corporation (NSIC), EEPC India, IPF SME forum, National SC/ST Hub etc.

❖ **Key Focus areas and Advantages of these Buyer – Seller Meets and Industrial Exhibitions for MSEs and POWERGRID**

Vendor Development Programs (VDPs), Buyer – Seller Meets and Industrial Exhibitions being organized for MSEs are quite advantageous for both MSE Manufacturers and Service Providers along with POWERGRID. These VDPs provide a platform for holistic development and encouragement of MSEs. The salient aspects of VDPs are as below:

- (i) To get MSEs aware about the various aspects of Public Procurement Policy for MSEs, Order 2012 and its implementation in POWERGRID.
- (ii) Awareness about categories of Procurement in POWERGRID and Categories of Product and Services in the ambit of Public Procurement Policy Order, 2012 for direct participation of MSEs.
- (iii) Know-how and procedures of Vendor Registration in POWERGRID.
- (iv) The key focus areas during such Buyer – Seller meets remain to familiarize MSEs about recent trends in Power & Energy sector. During the event, presentations and discussion held on POWERGRID areas of operations, its procurement categories and requirements, procurement Process, various benefits being extended to MSEs, Vendor Registration and Quality Control process.
- (v) Such VDPs and Industrial Exhibitions also provide a platform for MSEs to interact with different CPSUs like NTPC, BHEL, IOCL, PFC etc., POWERGRID's main Vendors, Bankers/Financial Institutions and various other Technological partners.

- (vi) During such SVDPs, SC/ST MSEs get to know more about various policies & financial assistance being provided by Govt. of India to SC/ST – MSEs via National SC/ST Hub
- (vii) Expert's session regarding registration on TReDS Platform and on Government e-Marketplace (GeM) Portal along with their operating mechanism.
- (viii) Officials invited from Ministry of MSME, DPE, Ministry of Power and GeM also share various schemes and initiatives being taken by the Govt. of India for the upliftment of MSME Sector.
- (ix) Special emphasis has been given to ZED (Zero Defect Zero Effect) rated MSMEs during the assessment for inclusion in the compendium of vendor of POWERGRID.
- (x) Information about latest Technologies, Innovation and Market Trends.
- (xi) Success story of such VDPs cum Industrial Exhibitions are also being shared through various media platforms, news-papers and social media.

With efforts of POWERGRID as mentioned above, the Vendor database of MSEs (MSEs registered with POWERGRID) is consistently increasing and year wise more and more MSEs are getting associated with POWERGRID and participating in the procurement process.

**❖ Grievance Redressal and Promotion of Micro & Small Enterprises owned by SC/ST and Women Entrepreneurs.**

- i. An Executive Director level committee has been constituted in order to regulate & monitor all the activities for proper implementation of the PPP for MSEs in POWERGRID as well as to look into and address the grievances and/or concerns raised by any MSEs or others in respect of implementation of the PPP for MSEs in POWERGRID.
- ii. A nodal officer to look into the aspect related to procurement from Micro & Small Enterprises owned by SC/ST and Women Entrepreneurs has also been appointed in POWERGRID.

❖ **Steps initiated/activities undertaken by POWERGRID for timely payment to MSMEs in line with the Micro, Small and Medium Enterprises Development (MSMED), Act 2006:**

POWERGRID has taken various initiatives which are in line with Micro, Small and Medium Enterprises Development (MSMED), Act 2006 for timely payment and grievance redressal of MSMEs and are summarized below:

▪ **Compliance as per MSMED Act, 2006**

With the enactment of the Micro, Small and Medium Enterprises Development (MSMED), Act 2006, for the goods and services supplied by the MSME units, payments have to be made by the buyers as under;

- i. The buyer is to make payment on or before the date agreed on between him and the supplier in writing or, in case of no agreement, before the appointed day. The agreement between seller and buyer **shall not exceed more than 45 days**.
- ii. POWERGRID has developed in-house Bill Tracking System (BTS) for submission of Invoice details and tracking the status of Bills and payment. The same is being monitored at the highest level. The amount of payment towards MSEs pending for more than 45 days as on date is 'Nil'.
- iii. POWERGRID has demonstrated exemplary compliance with the 45-day payment mandate through consistent process improvements and around 92% MSE Payments are made within 14 days
- iv. POWERGRID Payment Processing Facilitation Center (PPFFC): This transformative initiative consolidated bill processing and payment operations across India to just three centralized locations. The system has introduced Faceless processing, Integrated workflows, Randomized allocation of bills & Centralized payment disbursement. After implementing this system, the average payment time reduced to single digits (currently 7.7 days).
- v. Centralized Host-to-Host Payments: This optimization balances funds across various bank accounts and enables faster payments from a central location.
- vi. To further optimize MSE payment processing, POWERGRID plans to Enhance the existing Bill Tracking System with alerts triggering from SAP when bills exceeds 15 days, Conduct regular vendor workshops to improve documentation quality and reduce processing delays and to Establish a dedicated MSE payment monitoring dashboard for senior management oversight. These measures will ensure

continued compliance with payment mandates and further reduce the already minimal delays in vendor payments.

- vii. Weekly reports regarding TReDS and procurement from GeM portal are being updated on PE-Survey - MSME Support & Outreach Campaign website of Department of Public Enterprise.
- viii. To provide better access to finance for MSEs, POWERGRID has also been registered on all the 4 nos. of **TReDS Platform of RXIL, Invoicemart, M1xchange & C2TReDS** and MSEs are also being encouraged for registration on TReDS Platform.

The detailed guidelines for registration on TReDS Platform has been uploaded on POWERGRID's official website. MSE Vendors database of POWERGRID has also been shared with the officials of RXIL, Invoicemart, M1xchange & C2TReDS for getting them registered on TReDS Platform.

- ix. A Nodal Officer for MSME-SAMADHAAN Portal has been appointed and mechanism for disbursement of cases registered at MSME-SAMADHAAN Portal regarding delayed payment has also been approved in POWERGRID.

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