

MSMEs to benefit as GeM (Govt. E Marketplace) signs an MOU with TReDS platform RXIL and Arteria Technologies Pvt. Ltd.

The MoU will enable CPSEs/PSUs/Govt Departments to finance their payments to MSMEs through RXIL.



In the pic: (Left to right): Mr. Sriram Kanuri, CEO, Arteria Technologies Pvt. Ltd, Mr. Ketan Gaikwad MD & CEO, RXIL Ltd., Shri Prakash Mirani, Joint Secretary & Additional CEO, GeM

Immediate Circulation, February 03, 2020: **Mr. Ketan Gaikwad, CEO, RXIL Ltd.**, said on the occasion, “Close to 53% of transactions on GeM (Govt. E Marketplace) are initiated by MSMEs. Hon’ble FM announced during this year’s union budget to increase the turnover of GeM from the current levels of INR 50,000 crore to INR 3 lakh crore. For the proposed turnover mandate, it is necessary to have the alternate financing mechanism in place, the integration between Trade Receivables Discounting System (TReDS), and GeM as suggested in the UK Sinha Committee report will allow PSUs/Govt. departments to do procurement without blocking their own funds, while ensuring timely payments to MSMEs. The MoU will immensely benefit, MSMEs and CPSEs/PSUs/Govt Departments while achieving the proposed goal of INR 3 lakh crore throughput.”

The Economic Survey 2019-2020 stated that currently 57,531 MSME sellers and service providers are registered on the GeM portal. Central PSUs are required to procure at least 25% of their total purchases from MSMEs and PSUs have procured 28.26% of total procurement from MSMEs, crossing the minimum threshold of 25%.



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Mr. Gaikwad, also added, “TReDS has become a stable payment system with over INR 15,000 crore worth of throughput across the platforms. The Govt. has seen the effectiveness of TReDS in ensuring a stable supply of credit to MSMEs, the MoU is a step in the direction of extending its benefit to a larger universe of MSMEs.”

Mr Sriram Kanuri, CEO, Arteria Technologies Pvt. Ltd., remarked on the landmark association as a proud moment. We are excited to extend the expertise and the existing association with TReDs by deploying FinessArt for GeM as well and support the Digital India journey and further the cause for MSME sector.

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