

REVENUE POLICY OF GEM w.e.f. 2nd August 2023 (V 1.4)

Transaction Charges & Annual Milestone Charges

- a. A one-time charge titled “Annual Milestone Charge” shall be Rs. 10,000 + applicable taxes on all sellers clocking a threshold Seller Merchandise Value of INR 20 lakh in each financial year.
- b. Seller Merchandise Value shall be reckoned as the progressive total of order values placed by seller during a financial year.
- c. “Annual Milestone Charge” shall be recovered from the seller simultaneous to its clocking the threshold Seller Merchandise Value of INR 20 lakh.
- d. For sellers who have clocked the threshold Seller Merchandise Value, Transaction Charge at the following rates shall be levied in each case:-

Order Value (INR)	Transaction fee slab (INR) (Exclusive of tax)
≥ 5 Lakh but < 50 Cr.	0.45% of order value
≥ 50 Cr. but < 100 Cr.	22.50 lakh + 0.4% of order value above 50 Cr.
≥ 100 Cr. but < 200 Cr.	42.50 lakh + 0.3% of order value above 100 Cr.
≥ 200 Cr.	72.50 Lakh Flat fees

- e. No Transaction charge shall be payable;
 - i. For individual orders less than INR 5 lakh in value.
 - ii. For orders which are awarded to seller before the Seller Merchandise Value (SMV) of INR 20 Lakh is achieved.
- f. The transaction Charges along with Annual Milestone Charges (if applicable) by the seller to GeM shall be payable on the event of award of contract to the seller by buyer on GeM portal and GeM invoice for Transaction Charges and Annual Milestone Charges (if applicable) will be generated within 5 days from award of contract.
- g. Seller would be required to pay transaction charges and Annual Milestone Charges to GeM
 - i. within 15 days of award of contract on GeM portal by the buyer to seller

or,

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ii. before raising first invoice to buyer on GeM Portal by seller

or,

iii. on or before due date of the first delivery to the buyer as per the contract awarded

whichever is earlier.

Note: If the seller fails to pay the transaction charges and Annual Milestone Charge within the stipulated timelines indicated above, then the seller account on GeM portal will be suspended on 17th day of award of contract. The seller account will be resumed only after the successful payment of transaction charges.

h. Date of placement of the order shall be taken into account for the purpose of calculating Seller Merchandise Value.

i. Levy of Annual Milestone/Transaction Charges shall be subject to government levy (e.g. GST), as applicable. For all purposes as mentioned above, each financial year shall be treated as a separate and non-fungible unit.

j. The proposed revenue model shall be applicable in respect of all bids published on GeM's portal with bid opening date on or after 2nd August 2023. In respect of Direct Purchase/L1 buying, this model shall be applicable on all orders placed on GeM portal on or after 2nd August 2023.

k. In the case of cancellation of contract (as mutually agreed between buyer and seller), a seller shall be eligible for refund of Transaction Charges in following cases:

1. Incorrect selection of goods or services by buyer;
2. In case the related order was placed erroneously or by mistake by buyer;
3. Product/service not required or partially required, as a result of which the buyer refused some or full quantity of product/service or requested for discontinuation of service(s) in the middle of contract;
4. Consignee not available to receive the product/service;

l. The timeline for submission of the refund of transaction charge claim paid by the seller will be 90 days from the date of cancellation of contract. The transaction charges will be refunded back after doing necessary admissible deduction and earlier pending dues of the seller (if any).

m. However, no refund of Transaction Charges shall be made in case buyer cancels contract due to non-fulfilment of any contractual obligations by seller or due to any omission/misleading/false information provided by seller/service provider on GeM Portal.

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NOTE:

Government /CPSE (Buyer) to CPSE (Seller) contracts:

No Transaction charges are payable if Buyer is either Government (Buyer) or CPSE (Buyer) and the Seller is a CPSE. However, if such contract is generated through a bidding process in which Private Entities are also allowed to bid along with CPSE bidders then this exemption will not be applicable and CPSE seller would also be required to pay transaction charges. The exemption would only be applicable if the bid process is limited to Government (Buyer) to CPSE (Seller) /CPSE (Buyer) to CPSE (Seller), or there is no bidding or contract is awarded on nomination basis to CPSE (Seller) by Government (Buyer) or CPSE (Buyer).

Following buyer types are counted as Government;

1. Bodies created by Resolution of cabinet
2. Central Autonomous
3. Central Government
4. Central PSU
5. Comptroller General of Accounts
6. Constitutional bodies
7. Joint Venture of Central and State Government
8. Judiciary bodies
9. Government owned SPV/ Government owned Sec-8 Company
10. State Autonomous
11. State Government
12. State Local Bodies
13. State PSU
14. Statutory bodies
15. Union Territories

Forward Auction Charges

- a. With respect to the Forward Auction Orders on GeM, following transaction charges will be applicable:

Order Range (INR)	Transaction Charges (INR) (Exclusive of tax)
Any value \geq 20,000	0.45 % of order value subject to a maximum to INR 72.50 Lakh

Note:

Transaction Charge in case of Forward Auction shall be paid by the FA buyer to GeM as per defined in the Forward Auction general terms and conditions.

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- b. No Transaction charge shall be payable for auctions having order value less than 20,000.
- c. Levy of Forward Auction Charges shall be subject to government levy (e.g. GST), as applicable.

Business Cockpit-Charges

GeM-SPV has launched an Enhanced Service Feature for OEMs called "Business Cockpit" which will enable business to get deeper insights and monitor business trends effectively. Business Cockpit will provide OEM access to all the category data, granular level order details and export to CSV option enabling OEMs to slice and dice data for better understanding. This feature of Business cockpit will be available to OEMs on GeM at annual subscription charges of INR 6,00,000/- plus applicable taxes.

Rate Contracts

- a. With respect to the Rate Contract Orders on GeM, following transaction charges will be applicable:

Order Range (INR)	Transaction Charges (INR) (Exclusive of tax)
<u>Any Value</u>	0.45% of order value subject to maximum of INR 72.50 Lakh

- b. Levy of Rate Contracts charges shall be subject to government levy (e.g., GST), as applicable.

Note: This updated revenue policy will be applicable on the bids to be opened on or after 2nd August 2023. On bids opened before 2nd August 2023 the previous revenue policy w.e.f. 01.04.2022 (V.1.3) will be applicable.

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