

REVENUE POLICY OF GEM w.e.f. 01.04.2022 (v 1.3)

- a. A one-time charge titled “Annual Milestone Charge” shall be levied @ 0.5% 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 upon and accepted 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 following rates shall be levied on all orders equal to or exceeding INR 5 lakh value in each case: -

| Order Value (INR) | Transaction fee slab (INR) |
|-------------------------|--|
| ≥ 5 lakh but < 50 Cr. | 0.5% of order value |
| ≥ 50 Cr. but < 100 Cr. | 25 lakh + 0.4% of order value above 50 Cr. |
| ≥ 100 Cr. but < 200 Cr. | 45 lakh + 0.3% of order value above 100 Cr. |
| ≥ 200 Cr. but < 300 Cr. | 75 lakh + 0.2% of order value above 200 Cr. |
| ≥ 300 Cr. but < 500 Cr. | 95 lakh + 0.1% of order value above 300 Cr. |
| ≥ 500 Cr. | 115 lakh Flat Fees |

- e. Transaction Charge shall be paid by a seller to GeM at the time of acceptance of concerned order.
- f. With respect to the Forward Auction Orders on GeM, following transaction charges will be applicable:

| Order Range (INR) | Transaction Charges (INR) |
|-------------------|---------------------------|
| ≤ 200 Cr. | 0.5 % of order value |
| > 200 Cr. | One Crore Flat Fees |

REVENUE POLICY OF GEM w.e.f. 01.04.2022 (v 1.3)

Note:

Transaction Charge in case of Forward Auction shall be paid by the **buyer** to GeM (as defined in the Forward Auction terms and conditions) at the time of acceptance of concerned order.

- g. Date of placement of the order shall be taken into account for the purpose of calculating Seller Merchandise Value.
- h. The proposed revenue model shall be applicable in respect of all bids published on GeM's portal with bid opening date on or after **April 01, 2022**. In respect of Direct Purchase/L1 buying, this model shall be applicable on all orders placed on GeM portal on or after **April 01, 2022**.
- i. Levy of Annual Milestone/Transaction Charges shall be subject to government levy (e.g. GST), as applicable.
- j. **No Transaction charge** shall be payable:
 - i. For orders less than INR 5 lakh in value.
 - ii. For orders which are placed and accepted by seller before the Seller Merchandise Value (SMV) of INR 20 Lakh is reached.
- k. For all purposes as mentioned above, each financial year shall be treated as a separate and non-fungible unit.
- l. 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:
 - i. Incorrect selection of goods or services by buyer;
 - ii. In case the related order was placed erroneously or by mistake by buyer;
 - iii. 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;
 - iv. Consignee not available to receive the product/service;
 - v. Any other reason (s) to be explicitly justified by the seller.
- 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.

REVENUE POLICY OF GEM w.e.f. 01.04.2022 (v 1.3)

- n. 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 GeMat annual subscription charges of INR 6,00,000/- plus GST.

NOTE:

CPSE to CPSE contracts:

No Transaction charges are payable if Buyer as well as Seller in contract 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 would also be required to pay transaction charges. The exemption would only be applicable if the bid process is limited amongst CPSEs, or there is no bidding or contract is awarded on nomination basis to CPSE(s).

***** END OF DOCUMENT *****