

## REVENUE POLICY OF GEM w.e.f. 01.04.2022

- 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

**Note:**

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

**NOTE:**

**CPSE to CPSE contracts:**

**No Transaction Charges** are payable if the Buyer as well as the Seller in contract are CPSEs.

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