

REVENUE POLICY OF GEM w.e.f 01.06.2020

- a. A one-time charge titled “Annual Milestone Charge” shall be levied @ 0.5% on all sellers clocking a threshold Seller Merchandise Value. of Rs. 20 lacs 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 Rs. 20 lacs.
- 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 Rs. 5 lacs value in each case: -

Product Order Value	Transaction fee slab
≥5lacs <50 Cr.	0.5%
≥50cr but <100 Cr.	0.5% for 50cr (25 lacs) + 0.4% of value above 50 Cr.
≥100cr but <200 Cr.	0.5% for 50cr (25 lacs) + 0.4% for next 50 Cr. (20 lacs) + 0.3% of value above 100 Cr.
≥200 Cr.	0.5% for 50cr (25 lacs) + 0.4% for next 50 Cr. (20 lacs) + 0.3% for next 100 Cr. (30 lacs) + 0.2% of value above 200 Cr.

- e. Transaction Charge shall be paid by a seller to GeM at the time of acceptance of concerned order.
- f. Date of placement of the order shall be taken into account for the purpose of calculating Seller Merchandise Value.
- g. The proposed revenue model shall be applicable in respect of all bids published on GeM’s portal on or after **June 01, 2020**. In respect of Direct Purchase/L1 buying, this model shall be applicable on all orders placed on GeM portal on or after **June 01, 2020**.
- h. Levy of Annual Milestone/Transaction Charges shall be subject to government levy (e.g. GST), as applicable.
- i. No **Transaction charge** shall be payable:
 - i. For orders less than Rs. 5 lacs in value.
 - ii. For orders which are placed and accepted by seller before the Seller Merchandise Value (SMV) of INR 20 Lacs is reached.

- j. For all purposes as mentioned above, each financial year shall be treated as a separate and non-fungible unit.
- 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:
 - 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.
- l. 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.