GeM : Journey

25th January 2023

GeM: Journey in numbers

Strong growth trajectory…

Gross Merchandise Value (GMV), ₹ Cr.

Year target: >1.75 lakh Cr

FY17	FY18	FY19	FY20	FY21	FY22 (till 19 Jan'22)	FY23 (till 19 Jan'23)
422	5,876	17,462	22,989	38,573	74,065	1,26,307
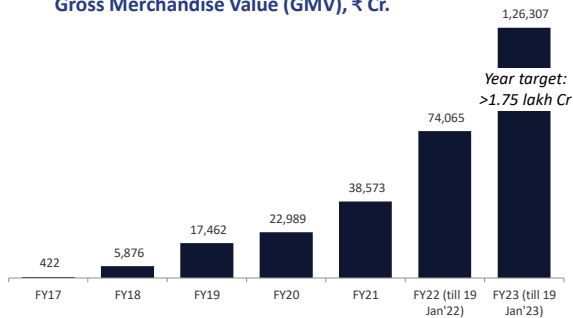
…with contribution across buyer segments

Buyer Category	GMV (₹ Crore)			
	FY20-21	FY21-22	FY21-22 *(1st Apr'21- 19th Jan'22)*	FY22-23 *(1st Apr'22- 19th Jan'23)*
Central Ministries	14,358	29,309	19,869	38,367
CPSEs	7,027	45,958	32,648	59,073
States	17,188	31,280	21,548	28,867
TOTAL	**38,573**	**1,06,547**	**74,065**	**1,26,307**

Since its inception, GeM has witnessed transactions worth ₹3 lakh crore in GMV

Source: GeM Transactions and Finance data

1

Business overview | Increasing ratio between services to product GMV

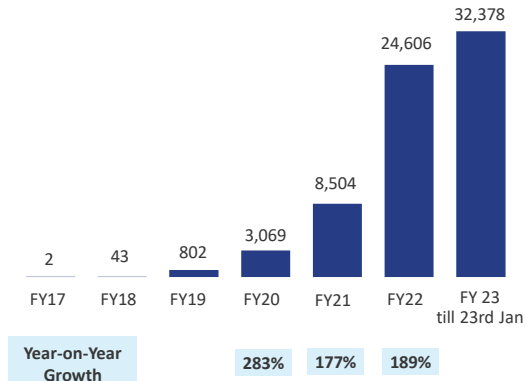**GeM has already surpassed last year's GMV for both products and services**

Products growth trajectory

Gross Merchandise Value (GMV), ₹ Cr.

	FY17	FY18	FY19	FY20	FY21	FY22	FY 23 till 23rd Jan
GMV	420	5,833	16,659	19,920	30,070	81,939	95,367
Year-on-Year Growth			186%	20%	51%	172%	
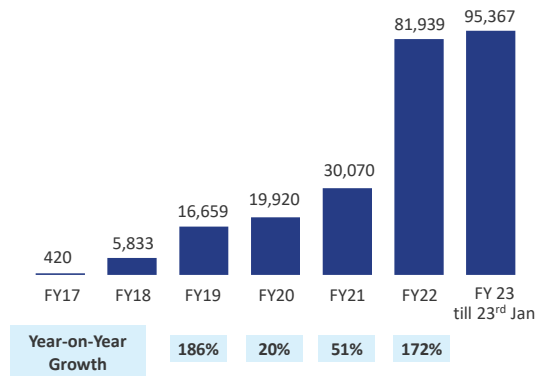
Services growth trajectory

Gross Merchandise Value (GMV), ₹ Cr.

	FY17	FY18	FY19	FY20	FY21	FY22	FY 23 till 23rd Jan
GMV	2	43	802	3,069	8,504	24,606	32,378
Year-on-Year Growth				283%	177%	189%	

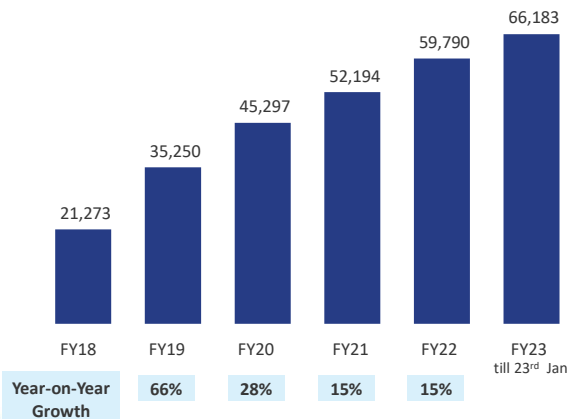**Product to Services share – 75% to 25%**

Source: GeM Transactions and Finance data

2

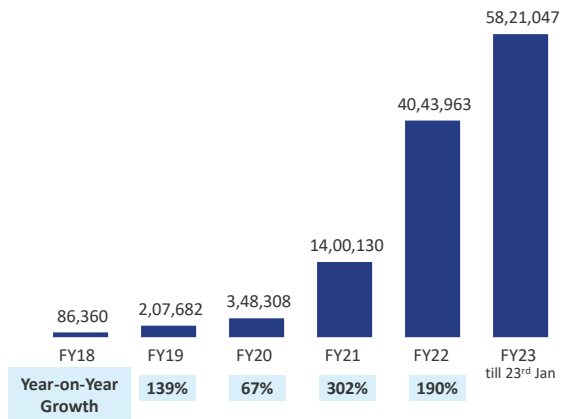## Business overview | Consistent growth in Buyer/ Seller ecosystem and coverage by GeM

Growth of buyer organizations on GeM,

	FY18	FY19	FY20	FY21	FY22	FY23 till 23rd Jan
Count	21,273	35,250	45,297	52,194	59,790	66,183
Year-on-Year Growth		66%	28%	15%	15%	

Growth of sellers/ service providers on GeM,

	FY18	FY19	FY20	FY21	FY22	FY23 till 23rd Jan
Count	86,360	2,07,682	3,48,308	14,00,130	40,43,963	58,21,047
Year-on-Year Growth		139%	67%	302%	190%	

Source: GeM Transactions and Finance data

3

GeM has been reimagining India's public procurement via technology, analytics & process digitization

1

Cost Savings

- **Reverse auction: ~25% price reduction vs avg. original L1 price**
- **Guaranteed discounts via direct OEM deals**
- **Demand aggregation**
- **Approx. 10% savings est. FY21-22[1]**

2

Time Efficiency

- **Tender cycle time reduced from 34 to 24 days[2]**
- **Standard templates e.g., bid forms, T&Cs**
- **Fast track procurement e.g., DP upto INR 25K**
- **On-time delivery up from ~80% to ~97% - for orders paid on GeM**

3

Reach & Inclusiveness

- **MSE share >55% of annual GMV since 2016**
  - > 8 lakh MSE sellers
  - >1.3 lakh Women,
  - >39K SC / ST sellers
- **GeM Sahay**: Instant order - based loans to sellers
- **Microportals: Startup Runway, TRIBESINDIA e-store**

4

Transparency & Fairness

- **Contract data made available** in the public domain
- **Seller representation window** to challenge disqualification
- **Transparent authentication** through e-sign and DSC

1. Multiple studies including World Bank, National Economic Survey and GeM internal study based on mandatory discounts, RA price reduction, select sample price comparison with other ecommerce and bid data reported by buyers
2. Comparison of "Bid start" to "Bid close" dates of 704 GeM and out-of-GeM transactions; data reported by buyers

4

E-Procurement | Various e-procurement methods offered by GeM

Direct Purchase
For amount less than **INR 25,000**

Push Button Procurement
For amount up to **INR 1 Lakh**

L1
For amount greater than **INR 25,000/-** and less than INR 5 Lakhs

Bid/RA
Procurement via Bid/RA to get the best price quote

Intent of Buying -PAC
Procurement of specific product as per requirement is also possible

Other features | **Forward Auction** | **Demand Aggregation** | **BoQ Bids** | **Custom Bids** | **Single packet bidding** | **Buyback**

5

GeM External Integrations

20+ Integrations with National Agencies

ERP Integrations
28 CPSUs

ERP Integrations Sectorwise	Grand Total
Oil	10
Manufacturing / Steel	4
Airlines	1
Defence	2
Railways	1
Railway Logistics (Concor)	1
Municipality	1
Panchayti Raj	1
Power	3
Space	1
Port	2
Project Consultancy	1
Grand Total	**28**

IFMS
4 STATES

Kerala
Orissa
West Bengal
Delhi

GeM Pool Account (GPA)
19 BANKS

State Bank of India · ICICI Bank · AXIS BANK · kotak · YES BANK · IDBI BANK · HDFC BANK · IndusInd Bank · UCO Bank · RBL BANK · Bank of Baroda · punjab national bank · DCB BANK · Union Bank · Canara Bank · FEDERAL BANK · Central Bank of India · Indian Bank · Indian Overseas Bank

6

Vigilance and Anomaly detection is a key focus area for GeM

Ensuring that the right pricing information is available to the concerned stakeholders

Improve transparency in the system by ensuring accountability across processes

Identifying and reporting deviant behaviour on GeM portal

Proactive engagement with stakeholders by implementing recommendation systems around procurement

By incorporating AI/ML enabled use-cases into existing procurement processes, GeM intends to reduce both administrative and transaction costs for our buyers

7

GeM of the future

Scale: Increase in GMV / transactions / users

GeM grew 150% in FY22; Aiming to be ~3L Cr in GMV in next 3 years and >5L Cr in 5 years

Support # transactions, concurrent users, data volumes

Large scale Open API based integrations

Multiples integrations will be needed. Railway's, 10-s of CPSEs, Non-buyer integrations: Fintech, Logistics, Works, and more

Custom integrations are not scalable; Design with an open API architecture

Driving States adoption @scale, incl. customizations

Higher share of GeM's growth so far has come from Center. Future growth will be via States, which need local rule engines, dedicated front end & local UX, full multi-lingual experience, deep integrations.

Support these at scale

Multiple initiatives currently in progress to unlock the next wave of growth at GeM

Key growth vectors

Bringing together all forms of govt. procurement on GeM

Driving grassroot adoption: States, Municipalities, Village Panchayat

Value added services: Fintech, Logistics, Data & analytics

Key enablers

Enhancing "Trust" on GeM: Journey from mandate to customer advocacy

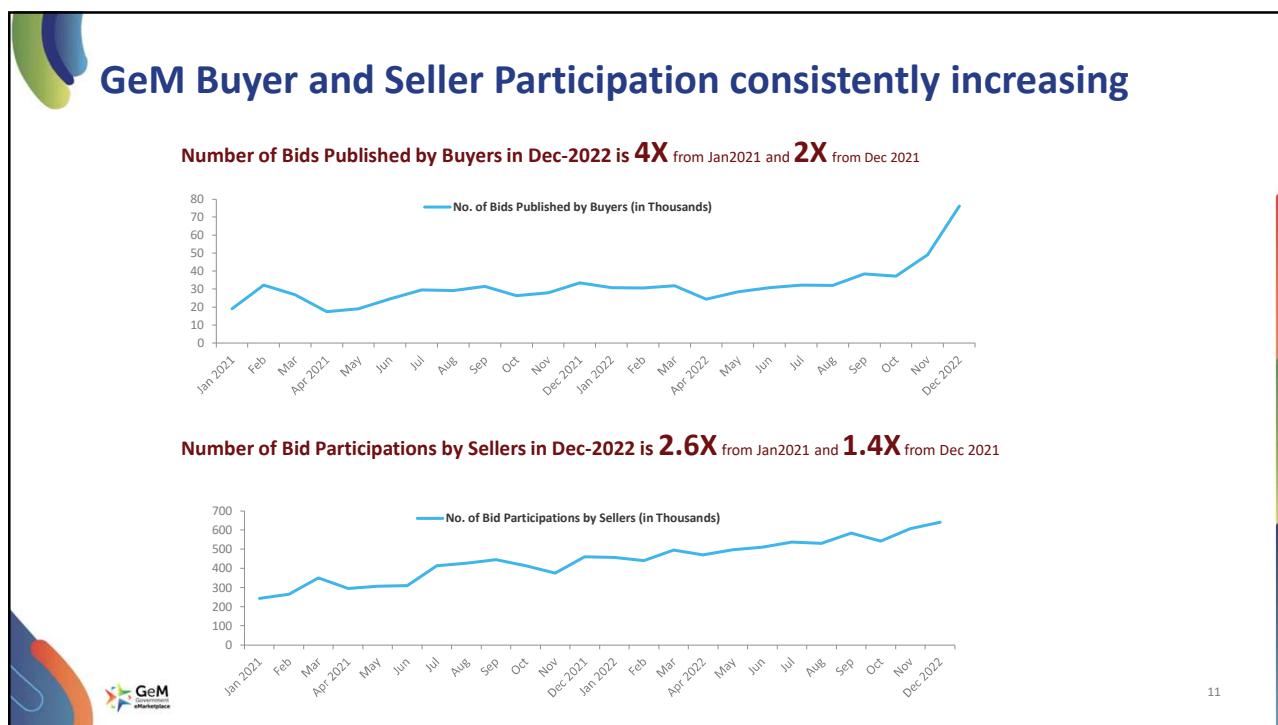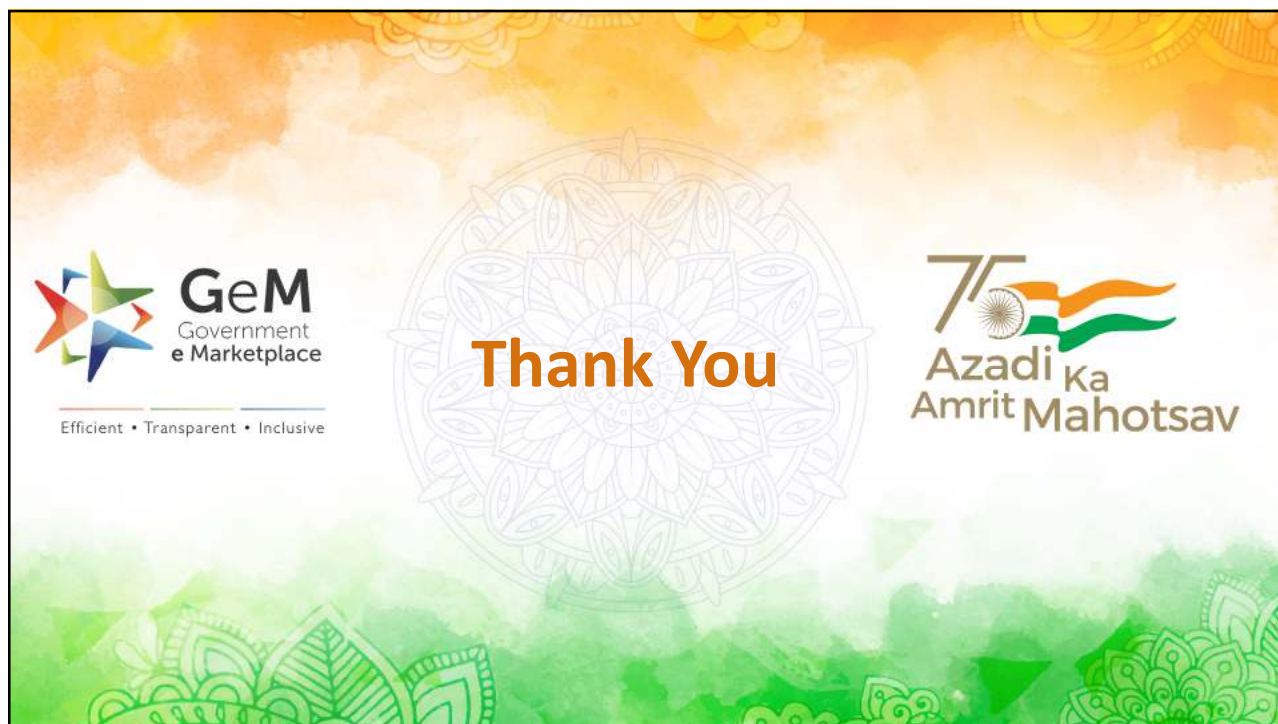Technology investments: scalability & innovation focus (incl. AI-ML)

Revamping key operations: Marketplace sanity, customer care, incidents

People & organization: Performance oriented team & culture

Thank You

GeM Buyer and Seller Participation consistently increasing

Number of Bids Published by Buyers in Dec-2022 is 4X from Jan2021 and **2X** from Dec 2021

Number of Bid Participations by Sellers in Dec-2022 is 2.6X from Jan2021 and **1.4X** from Dec 2021
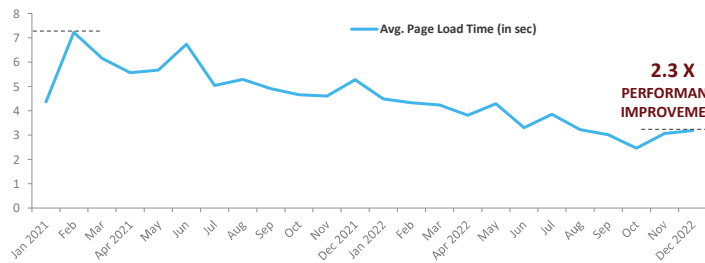

11

GeM Platform Performance consistently improving despite higher Load

While the Load (Average Users / Month on platform has consistently increased to 2.6 X (compared to beginning of 2021)

2.6 X
LOAD HANDLED
BY PLATFORM
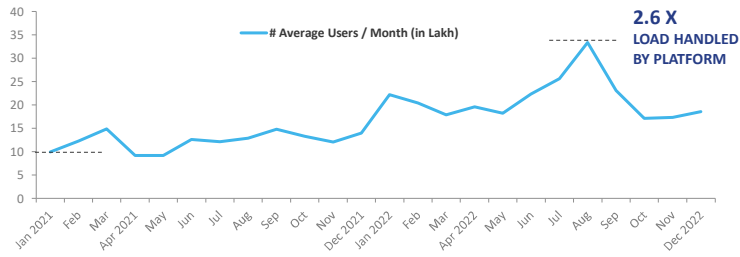
Platform performance in terms of Page Load Times has improved by 2.3 X (compared to beginning of 2021)

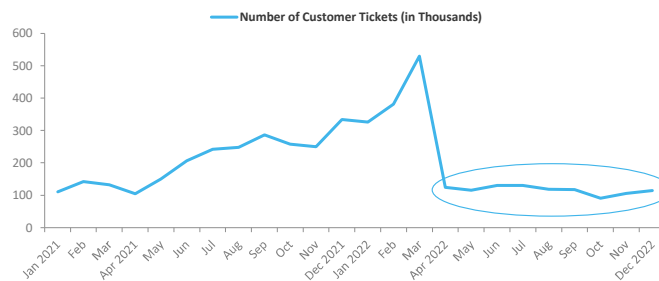**2.3 X**
PERFORMANCE
IMPROVEMENT

12

GeM Operational Performance consistently improving despite higher number of Orders

While the Number of Orders are increasing (around **1.5 X** compared to same month last year)

Number of Customer Issues is consistently below 1.2 Lakh since Apr'22 (around **½** compared to same month last year)

13

GeM Scale - Technical

- GeM started to support **46.8 Lac sellers** and **2.27 Lac buyers** with 1000 user authentication requests/minute, 250+ OTP Validations/Minute

- Being a documentation heavy system, GeM supports ~**50000** documents digitally signed or e-signed every day

- GeM is supported **300+ virtual machines** in cloud landscape of operating systems. **5000+ VCPUs** and **21 Terabytes of RAM** has been virtualized on VM ware hypervisors

- GeM utilizes **41 MySQL databases** which are clustered to support heavy throughput (up to **35000 Queries Per Seconds**). Current **500 Terabytes of File storages** also are very fast growing (**200-250 Gigabytes/day**) for unique requirements in government procurement processes

- **1.8 crore email** and **1 crore SMS** are sent out every month by MSP

- MSP receives **2 Lac** product/brand approvals monthly with a TAT of **1.13 days**

- **~ 42.7 Lac products, 3.98 Lac services** and **~ 10200 categories** are supported by MSP for GeM

GeM
Government
eMarketplace