

Intellect/SEC/2023-24

July 06, 2023

1. National Stock Exchange of India Limited,

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051.

Scrip Symbol:

INTELLECT

2. BSE Limited,

1st Floor, New Trade Ring, Rotunda Building, PJ Towers,
Dalal Street, Fort, Mumbai – 400 001.

Scrip Code:

538835

Dear Sir/Madam,

Sub: **Press Note on Government eMarketplace (GeM) business**

GeM is a platform of national importance critical to delivery of essential public services to the nation. Intellect has been a partner in this journey with Government of India since September 2017 and has deep understanding of the multi-dimensional complexity of the platform. As a part of its **India First** Strategy, Intellect has made significant contribution to nation building with GeM achieving its objectives of bringing Transparency, Efficiency and Inclusivity in public procurement domain in a truly paperless, cashless and contactless manner.

The GeM ecosystem currently has over 6 million Sellers offering their Goods & Services to 69k+ Buyer Organisations across Central Ministries, States, CPSEs and other Government Entities. Since its inception till 30th June 2023, over **15 million orders** have been successfully placed on GeM amounting to a whopping **INR 4.47 lac Crores**. As per the recent press interaction of Honourable Commerce & Industry Minister on 2nd April 2023, GeM has brought savings of approximately **INR 39,000 Crore** to the exchequer by ensuring that public procurement through GeM is done at most competitive prices.

Intellect is proud to be a partner of Government in India in this nation building initiative and has made significant investments to ensure that GeM exceeds global standards of any ecommerce platform in managing the complexity of Business, Operations and Technology.

For the year ending 31st March 2023, Intellect's revenue from GeM engagement stood at **INR 253.50 Cr** with associated costs of **INR 241.83 Cr** resulting in a margin of **INR 11.67 Cr**. These figures take into consideration the downward revision of Intellect's Transaction Fees which was a result of renegotiation by the Government effective 1st April 2022.

GeM had published an RFP for the next phase of development and implementation of the platform, Based upon experience of handling the complexity of GeM's business, operations and technology since September 2017, Intellect had responded to the RFP with the intent of delivering highest quality

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solution without compromising on the possible risks of disruption or inconvenience to the Buyer-Seller community.

Intellect's financial quotation was keeping in view all such considerations including commercial viability of the proposition to Intellect's shareholders. Intellect does believe that unless the proposition is technically superior and commercially viable, no organisation can deliver the desired quality of services as required and desired by the Buyer-Seller community.

While Intellect scored 904 out of 1,000 points against 856 scored by its competitor on the Technical Evaluation, its competitor has quoted nearly 48% lower than the indicative pricing by the Government. This pricing is nearly 16% lower as compared to the pricing offered by Intellect. Thereby GeM has informed Intellect to initiate Exit Management & Transition as per the current terms and conditions of contract between GeM and Intellect.

Intellect firmly believes that quoting a lower price, in conjunction with the terms and conditions as mandated in the new RFP, is not a commercially viable proposition. Intellect wishes Government of India all the best for future endeavours of GeM and sincerely hopes that the momentum of growth of GeM continues in the best interest of our country.

Kindly take the above information on record.

Yours truly,

for **Intellect Design Arena Limited**

V V Naresh
Company Secretary and Compliance Officer