



## PPMP Fulfillment Policy

### Terms & Conditions

<b>Created on</b>	<b>Created by</b>	<b>Approved by</b>	<b>Effective from</b>	<b>Version</b>
16-Sep-22	Marketplace - Seller Performance	Legal	05-Oct-22	4.0
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## **Introduction**

To uphold the customer experience, we expect our sellers to be at par with Myntra's customer service standards. The policy aims at evaluating sellers' performance with respect to metrics that affect customer experience and ensure sellers maintain a high level of performance standards and process adherence.

**Seller Performance Metric:** This policy is valid from 5 October 2022 until otherwise notified and supersedes the PPMP\_Fulfilment Policy\_v3.0.

Here are a few definitions at the outset to understand the contours of the metrics to be tracked -

**Packing Cut Off:** All orders for a particular seller with a given Packing Cut Off time are expected to be packed by this timestamp. The Packing Cut Off time is devised based on the approximate pick-up times by the logistics service provider from the seller warehouse and is pre-decided.

**Rollover:** It is a function of the capacity pre-defined by the seller for that day. If a greater number of orders are received by the seller than its predefined capacity on any given day, such orders would Roll Over (also referred to as Promise Roll Over in this document) to the Packing Cut Off time for the next date.

**Handover Cut Off:** All orders for a particular seller with a given Handover Cut Off date are expected to be handed over to the logistics service provider by this day, which is the same as the date of Packing Cut Off for that particular order. The Handover Cut Off time is devised based on the approximate pick-up times by the logistics service provider from the seller warehouse and is pre-decided.

**Seller Promise:** Upon receiving an order, the seller will have a window of min 2 hrs. to max 26 hrs. for processing an order, depending on the exact time of receiving the order. For example, if the Packing Cut Off time is 2 pm on D0, the orders that may have been received by the seller between 12 pm D-1 and 12 pm D0 will have to be packed by 2 pm on D0, provided the previously set capacity is not exceeded. The seller capacity of processing the number of items in a day would be communicated by the seller to Myntra; the same would be confirmed by Myntra and fed into their systems to automatically allocate orders to the relevant seller warehouse for any given day in line with the logic mentioned above.

The seller needs to build up its daily processing capacity in line with the order creation volumes. In case the Promise Roll Over happens for 2 days or more due to underestimation of its Capacity, the seller is expected to revise its capacity upwards on the Myntra platform based on mutual discussion with Myntra at least till the pendency has been cleared and to preserve customer experience. In absence of the same, orders may be throttled to manage high promises.

## **Fulfilment Metrics**

### **Packing Breach**

- Once an order is allocated to a seller, a Packing Cut Off time will be assigned to that order and pushed through an API to the seller ERP/M-Direct system. The seller shall be required to pack all the orders adequately before their Packing Cut Off time.
- It is mandatory for sellers to physically pick the ordered items and only then fetch the invoice and shipping label, by scanning the item's barcode in their ERP system.
- The metric to monitor the packing performance of the seller shall be "Packing Breach" that will be considered at a weekly level.
- This metric will be measured at seller-warehouse ID level and hence delisting, if necessary, will happen for that warehouse ID.
- For "Made to Order" sellers, the Packing Cut Off time shall be configured according to the TAT specified by the seller.

The seller shall be required to pack and mark the order as packed in their ERP system before the Packing Cut Off time. If the order is packed after the Packing Cut Off time, it will be considered a breach of this policy. The threshold "Packing Breach" for all sellers would be 1%. It will be calculated as per the following formula:

$$\left( \frac{\text{No. of assigned order-items not marked as "Packed" by the seller on their ERP system by the Packing Cut Off time/}}{\text{No. of order-items that have a assigned Packing Cut Off time in the said period}} \right) * 100.$$

- Further details are provided below:

Metrics	Threshold Value	Count of Consecutive Weekly Packing Breaches	Action	Expectation from the seller to be compliant with this policy
Packing Breach	1%	1	There will be an alert email sent to the seller.	<ul style="list-style-type: none"> <li>• Clear all pendency of breached orders before hard stop by Myntra and achieve &lt;1% breach for next handover cut off time as well.</li> </ul>
		2	<p>The seller shall be delisted for 2 days on the platform.</p> <p>(In case of delisting, the delisting week will not be considered for performance evaluation.)</p>	<ul style="list-style-type: none"> <li>• The seller must understand why there is a repeated breach and rectify process gaps.</li> <li>• Reach out to Myntra if any training is required or if there are any understanding gaps.</li> <li>• Clear all pendency before hard stop by Myntra and achieve &lt;1% breach for next Packing Cut Off as well.</li> </ul>
		<p>≥ 3</p> <p>(If this criteria is applicable, 3 weeks is to be calculated excluding the week that is delisted for breaches for 2 consecutive weeks.)</p>	The seller shall be delisted for 7 days on the platform.	<ul style="list-style-type: none"> <li>• The seller must understand why there is a repeated miss and try to rectify process gaps if any.</li> <li>• Ensure that enough packing capacity is in place.</li> <li>• Explain to Myntra what actions have been taken by the seller to avoid any further performance failures before being relisted.</li> <li>• Clear all pendency before hard stop by Myntra and achieve &lt;1% breach for next Packing Cut Off as well.</li> </ul>

- The breach counter will be an incremental counter and will not be reset after completion of the delisting period. i.e., if the seller is delisted, relisted after 2 days and then defaults on performance again in the next week, it will be counted as an incremental breach. After the 7 day delisting, any subsequent consecutive week of breach will result in 7 days of delisting again.
- Seller may raise a dispute regarding its performance under this policy according to grievance redressal mechanism provided under this policy.
- The checking frequency will be on a weekly level and the period of performance under consideration will be for orders that have Packing Cut Off time in the past week. i.e. if the check is done on a Monday, Packing Breach check will happen for orders that had Packing Cut Off/Handover Cut Off from last-to-last Sunday to last Saturday.
- Any newly on boarded seller or any existing seller migrating to a new model shall be allowed a 2-weeks relaxation from any action since the start of business.
- In case of any error in the determination of breach of these metrics resulting in delisting, the impacted sellers' account shall be activated post determination of such error by Myntra, as reported by the seller. Provided however, Myntra shall, under no circumstances, be liable or responsible for any claims or losses arising out of such deactivation of listings.
- Any order-item that is part of pre-pack cancellation, will be removed from the calculation for Packing Breach.

### **Handover Breach**

- After packing, the seller will be required to hand over the orders to the pickup agent from the logistics service provider.
- Only orders scanned through the First Mile Pickup App (FMPU) will be considered to be handed over. Without

marking a shipment as “Packed”, the seller will not be able to Handover the shipment. The reason for that is that an order will be visible in the FMPU app only when it is marked as Packed in the system.

- The seller can handover the order either at an earlier pick up date if it has completed the packing earlier or on the Handover Cut Off pick up date. If it is handed over later than the Handover Cut Off date, it will be considered as a breach of this policy by the seller.
- The seller should pack the order only in the packaging recommended by Myntra and shall print the shipping label / invoice on each order. Any order not packed properly or having damaged packaging or torn shipping label stuck or partially visible shipping label will not be accepted for pickup by the logistic service provider and will be treated as “Not handed over”.
- Pick up agent from the logistic service provider will scan all the orders handed over to him/her using the FMPU app and after scanning all orders will ask the seller facility manager to sign on the FMPU as a proof of handover. Seller Facility will receive an auto-mailer once the pickup is done for reconciliation.

The metric to monitor the packing performance shall be “Handover Breach”. The threshold “Handover Breach” shall be 1%. It will be calculated as below:

No. of assigned cut off order-items handed over / No. of order-items that have a assigned cut off on the said period) \* 100.

For any week, if the handover compliance falls below the defined thresholds, that week shall be considered as a handover breach.

- Further details are provided below:

Metrics	Thres hold Value	Count of Consecutive Weekly Handover Breaches	Action	Expectation from the seller to be compliant with this policy
Handover Breach	1%	1	There will be an alert email sent to the seller.	<ul style="list-style-type: none"> <li>• Clear all pendency of breached orders before hard stop by Myntra and achieve &lt;1% breach for next handover cut off time as well.</li> </ul>
		2	The seller shall be delisted for 2 days on the platform.  (In case of delisting, the delisting week will not be considered for performance evaluation.)	<ul style="list-style-type: none"> <li>• The seller must understand why there is a repeated breach and rectify process gaps.</li> <li>• Reach out to Myntra if any training is required or if there are any understanding gaps.</li> <li>• Clear all pendency before hard stop by Myntra and achieve &lt;1% breach for next Packing Cut Off as well.</li> </ul>
		≥ 3  (If applicable, 3 weeks is to be calculated excluding the week that is delisted for breaches for 2 consecutive weeks.)	The seller shall be delisted for 7 days on the platform.	<ul style="list-style-type: none"> <li>• The seller must understand why there is a repeated miss and try to rectify process gaps if any.</li> <li>• Ensure that enough packing capacity is in place.</li> <li>• Explain to Myntra what actions have been taken by the seller to avoid any further performance failures before being relisted.</li> <li>• Clear all pendency before hard stop by Myntra and achieve &lt;1% breach for next Packing</li> </ul>

				Cut Off as well.
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- The breach counter will be an incremental counter and will not be reset after completion of the delisting period. i.e., if the seller is delisted,relisted after 2 days and then defaults on performance again in the next week, it will be counted as an incremental breach. After the 7 day delisting, any subsequent consecutive week of breach will result in 7 days of delisting again.
- The checking frequency will be on a weekly level and the period of performance under consideration will be for orders that have Handover Cut Off in the past week. i.e., if the check is done on a Monday, Handover Breach check will happen for orders that had Handover Breach in the period from last-to-last Sunday to last Saturday.
- This metric will be measured at seller-warehouse ID level and hence delisting will happen for that seller-warehouse ID.
- Seller must raise any disputes regarding his performance according to grievance redressal mechanism.
- If a seller has not packed an order within the Packing Cut Off time and not handed over the order within the Handover Cut Off time, the seller shall be penalized for either packing breach or handover breach but not both.
- Any newly on boarded seller or any existing seller migrating to a new model shall be allowed a 2 weeks relaxation from any action from the start of its business on the Myntra platform.
- For “Made to Order” sellers, the Handover Cut Off time shall be configured according to the TAT specified by the seller.
- In case of any error in the determination of breach of these metrics, the impacted sellers’ account shall be activated post determination of such error by Myntra, as reported by the seller. Provided however, Myntra shall, under no circumstances, be liable or responsible for any claims or losses arising out of such deactivation of listings.
- Any order-item that is part of pre-handover cancellation, will be removed from the calculation for Handover Breach.

**Seller Cancellations:**

- Seller Cancellations (SC) will be calculated for an order-item, if the seller cancels any order or if the order is canceled by Myntra for either not being able to Pack the order-item within 1 day of its Packing Cut Off or not being able to Handover the order-item within 3 days of its Handover Cut Off date.
- The metric will be measured at weekly frequency.

The metric to monitor shall be “Seller Cancellations Breach”; the threshold SC shall be 0.2%. It will be calculated as below:

No. of order-items marked under SC/ No. of order-items that have a assigned cut off on the said period) \* 100.

For any week, if the SC exceeds the defined thresholds, that week shall be considered as a SC Breach.

- Further details are provided below:

Metrics	Threshold Value	Count of Consecutive Weekly SC Breaches	Action	Expectation from the seller to be compliant with this policy								
SC	0.2%	1	<p>There will be an alert email sent to the seller. Additionally, a charge would be levied on the seller for each SC item as below:</p> <table border="1"> <tr> <td>ASP (INR)</td> <td>0 - 500</td> <td>501 - 750</td> <td>&gt;750</td> </tr> <tr> <td>Charges (INR)</td> <td>100</td> <td>150</td> <td>250</td> </tr> </table>	ASP (INR)	0 - 500	501 - 750	>750	Charges (INR)	100	150	250	<ul style="list-style-type: none"> <li>• The seller must not cancel an order without a thorough check of inventory availability.</li> <li>• Seller must ensure that the item is Packed max. within 1 day of the Packing Cut Off.</li> <li>• If the item is already Packed, the seller must ensure that it is</li> </ul>
ASP (INR)	0 - 500	501 - 750	>750									
Charges (INR)	100	150	250									

				<p>handed over within 3 days of the Packing Cut Off.</p> <ul style="list-style-type: none"> <li>•</li> </ul>								
	2	<p>The seller shall be delisted for 2 days on the platform. Additionally, a charge would be levied on the seller for each SC item as below:</p> <table border="1"> <tr> <td>ASP (INR)</td> <td>0 - 500</td> <td>501 - 750</td> <td>&gt;750</td> </tr> <tr> <td>Charges (INR)</td> <td>100</td> <td>150</td> <td>250</td> </tr> </table>	ASP (INR)	0 - 500	501 - 750	>750	Charges (INR)	100	150	250		<ul style="list-style-type: none"> <li>• The seller must ensure inventory accuracy by checking and updating inventory on a monthly basis.</li> <li>• The seller must not cancel an order without a thorough check of inventory availability.</li> <li>• Pack and keep aside Myntra orders as soon as it is allocated to the seller facility.</li> </ul>
ASP (INR)	0 - 500	501 - 750	>750									
Charges (INR)	100	150	250									
	≥ 3 (If applicable, 3 weeks is to be calculated excluding the week that is delisted for breaches for 2 consecutive weeks.)	<p>The seller shall be delisted for 7 days on the platform. Additionally, a charge would be levied on the seller for each SC item as below:</p> <table border="1"> <tr> <td>ASP (INR)</td> <td>0 - 500</td> <td>501 - 750</td> <td>&gt;750</td> </tr> <tr> <td>Charges (INR)</td> <td>100</td> <td>150</td> <td>250</td> </tr> </table>	ASP (INR)	0 - 500	501 - 750	>750	Charges (INR)	100	150	250		<ul style="list-style-type: none"> <li>• The seller must ensure inventory accuracy by checking and updating inventory on a monthly basis.</li> <li>• The seller must not cancel an order without a thorough check of inventory availability.</li> <li>• Pack and keep aside Myntra orders as soon as it is allocated to the seller facility</li> <li>• Explain to Myntra what actions have been taken to avoid any further performance failures before being relisted.</li> </ul>
ASP (INR)	0 - 500	501 - 750	>750									
Charges (INR)	100	150	250									

- Myntra shall have the right to offset/adjust any amount payable by the seller as cancellation charges under this policy with any payments due and payable by Myntra to the seller.
- This metric will be measured at seller-warehouse ID level and hence delisting will happen for that seller-warehouse ID.
- Seller must raise any disputes regarding its performance according to grievance redressal mechanism.
- Breach counter will be an incremental counter and will not be reset after completion of delisting period. i.e., if the seller is delisted, relisted after 2 days and then defaults on performance again in the next week then the breach will be counted as an incremental breach After the 7 day delisting, any subsequent consecutive week of breach will result in 7 days of delisting again.
- Any newly onboarded seller or any existing seller migrating to a new model shall be allowed a 2 weeks' relaxation from any delisting action from the start of its business on the Myntra platform. However, charges for canceled items would be applicable as per the mentioned matrix above.
- In case of any error in the determination of breach of these metrics, the impacted sellers' account shall be activated post determination of such error by Myntra, as reported by the seller. Provided however, Myntra shall, under no circumstances, be liable or responsible for any claims or losses arising out of such deactivation of listings.
- The Seller Cancellation charges levied on the seller, as per the matrix in the table above, is applicable for all SC.

**Cancellations due to Wrong Discount/MRP/Cataloging Upload**

There could be instances where the seller has uploaded a wrong discount/MRP/cataloging, due to which substantial orders have been received by the seller, which the seller is unwilling to fulfill. The seller warehouse is to be delisted immediately upon realization of the same and shall remain so until either the seller commits in writing to fulfill all such orders impacted or till the orders are canceled, post necessary internal approvals. The cancellation charges are the same as per the Seller Cancellation charges in quantum; however it will be calculated on the basis of the pre-discounted price and not on the final price, like it happens in the case of normal Seller Cancellation charges.

**Special Fulfillment Cool Off**

Over and above the aforementioned thresholds for Packing Breach, Handover Breach and SC, the seller must ensure to not go beyond the below mentioned thresholds for any 4 consecutive working days. The seller warehouse may be delisted (cool off) for 1 day in such cases to provide opportunity for clearing the pendency (in case of Packing/Handover Breach) and/or fix the inherent issue that would have caused the breach.

Metrics	Thres hold Value	Count of Consecutive Day Breaches	Action	Expectation from the seller to be compliant with this policy
Packing Breach	3%	4	The seller WH would be delisted for 1 day	<ul style="list-style-type: none"> <li>• Clear all pendency of breached orders before hard stop by Myntra</li> <li>• Maintain &lt;3% Packing Breach for any 4 consecutive working days</li> </ul>
Handover Breach	3%	4	The seller WH would be delisted for 1 day	<ul style="list-style-type: none"> <li>• Clear all pendency of breached orders before hard stop by Myntra</li> <li>• Maintain &lt;3% Packing Breach for any 4 consecutive working days</li> </ul>
SC	1%	4	The seller WH would be delisted for 1 day	<ul style="list-style-type: none"> <li>• The seller must understand why there is a repeated breach and rectify process gaps.</li> <li>• Maintain &lt;1% SC Cancellations for any 4 consecutive working days</li> </ul>

The week of ‘cooling off’ shall not be exempted from the calculations for weekly criteria for Handover/Packing Breaches and Seller Cancellations.

**Quality Metrics**

Quality of products that are shipped out of the seller warehouse against customer orders are of utmost importance to match the service quality levels at Myntra. For maintaining product quality, seller performance would be measured, tracked and improved (if necessary) for Return On Hold (ROH) % and Wrong Product Return %.

**Return On Hold (ROH):**

- When a customer returns an item for any reason, including product quality, the Myntra pick up executive collects the item from the customer. If the item is a wrong product, has a missing brand tag (MBT), is damaged, used, etc. the Myntra pick up executive marks the item as Return On Hold for the aforementioned reasons. This creates a bad customer experience.
- While some items may be marked as ROH - Wrong Product, ROH - Missing Brand Tag and ROH - Damaged due to customer abuse, wrong entry by the Myntra pick up executive or the item being damaged in the Myntra supply chain due to improper handling respectively, other items will be marked as the same for wrong products being sent by the seller, an item sent by the seller without a proper brand tag or authorized packaging material not being

used by the seller leading to damages.

- The following, constitute ROH, of which the former 3 are considered to be controllable by the seller through better processes:
  - ROH - Wrong Product
  - ROH - Missing Brand Tag
  - ROH - Damaged
  - ROH - Used
  - ROH - Others
- Styles with ROH metrics higher than the threshold shall be shared with sellers on a weekly basis. The seller is required to take note of the same and check in their inventory for possible mismatches in physical product and the product displayed on the Myntra platform. Also, the presence of appropriate brand tag is to be checked by the seller for those styles. The seller should, additionally, ensure that only appropriate packaging material from Myntra authorized packaging vendors are being used.

The following ROH metrics will be monitored with the calculations as below.

$$\text{ROH} = (\text{No. of return items marked under ROH} / \text{Total no. of return items}) * 100 \%$$

$$\text{ROH Wrong Product} = (\text{No. of return items marked under ROH Wrong Product} / \text{Total no. of return items}) * 100 \%$$

$$\text{ROH Missing Brand Tag} = (\text{No. of return items marked under ROH Missing Brand Tag} / \text{Total no. of return items}) * 100 \%$$

$$\text{ROH Damaged} = (\text{No. of return items marked under ROH Damaged} / \text{Total no. of return items}) * 100 \%$$

For any week, if the ROH metric exceeds the defined thresholds, that week shall be considered as a Breach for the ROH metric.

Any style with the following criteria shall be delisted based on the last 2 week average ROH, count of unique customers impacted and the ROH count:

ROH% Threshold	ROH Count	Count of Customer ID
>10%	>10	>=5

- Further details, including the relevant thresholds, are provided below:

Metrics	Thres hold Value	Count of Consecutive Week Breaches	Action	Expectation from the seller to be compliant with this policy
ROH Wrong Product	0.7%	2	The styles with the metric above threshold may be delisted indefinitely	<ul style="list-style-type: none"> <li>• Checks for correct product at the inwards, picking and packing stages proactively.</li> <li>• Check and rectify styles for which instances of wrong products are higher than threshold.</li> </ul>
ROH Missing Brand Tag	0.8%	2	The styles with the metric above threshold may be delisted indefinitely	<ul style="list-style-type: none"> <li>• Checks for brand tag at the inwards, picking and packing stages proactively.</li> <li>• Check and rectify styles for which instances of missing brand tag are higher than threshold.</li> </ul>
ROH Damaged	0.5%	2	The styles with the metric above threshold may be delisted indefinitely	<ul style="list-style-type: none"> <li>• Ensure packaging material only from Myntra authorized packaging vendors is used.</li> <li>• Ensure the right packaging</li> </ul>



				material is used based on the product. For eg. jewelry with sharp edges should not be packed in a paper package which can get punctured, rather it may be packed in a corrugated box with Myntra tape on it.
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**Wrong Product Returns (WPR)**

- When a customer returns an item, he/she selects a reason from the dropdown in the Myntra app which is available at the time of initiating a return. One reason bucket refers to Wrong Products which includes the customer having received a completely different product or a product with a different size. Such returns are tagged by the customer under Wrong Product Returns.
- Styles with Wrong Product Returns higher than the threshold shall be shared with sellers on a weekly basis. The seller is required to take note of the same and check in their inventory for possible mismatches in physical product and the product displayed on the Myntra platform. Also, quality check at all stages of the order processing needs to be strengthened to ensure wrong products are not packed against customer orders.

The metric to monitor shall be “Wrong Product Returns %”; the threshold for the same shall be 1.7%. It will be calculated as below:

Wrong Product Returns % = (No. of return items marked under Wrong Product Returns / Total no. of return items) \* 100

For any week, if the WPR exceeds the defined thresholds, that week shall be considered as a Breach for WPR.

- Further details, including the relevant thresholds, are provided below:

Metrics	Thres hold Value	Count of Consecutive Week Breaches	Action	Expectation from the seller to be compliant with this policy
Wrong Product Returns	1.7%	2	The styles with the metric above threshold may be delisted indefinitely	<ul style="list-style-type: none"> <li>• Checks for correct product at the inwarding, picking and packing stages proactively.</li> <li>• Check and rectify styles for which instances of wrong products are higher than threshold.</li> </ul>

**Grievance redressal mechanism:**

- If the seller disputes or doesn't agree with his performance metrics on a particular day under this policy, the seller must raise these issues on the seller portal (<https://partners.myntrainfo.com/>) and specify the date of dispute, once an alert mail has been initiated to them. The seller shall raise tickets within 4 business days after receiving the alert mail.
- The seller needs to list its issue in detail and provide enough evidence to justify its claim.
- Myntra, through its Partner Support Team, shall evaluate these claims.
- If the claim is validated, the breach will be reversed.