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Ref.No.MAIT/PY/2248

December 31, 2020

Shri Paritosh Singhal
ACEO
Government e-Marketplace (GeM)

Subject: MAIT request to not merge the Categories of OEM Cartridge/Consumables and Compatibles

Respected Sir,

Greetings from MAIT!

This bears reference to the “CCM for the Category OEM Cartridge/Consumables and Compatibles” held on December 23, 2020”. During this meeting industry had raised its concerns regarding the unilateral manner in which discussion was held on the technical parameters & the need of this merger without having prior discussions with Printer OEMs Subsequently, MAIT had sent a letter with Ref. no.MAIT/PY/2247 dated December 24, 2020 and requested GeM to maintain the status quo till the time due consultations with Printer OEMs is done w.r.t various challenges foreseen by the OEMs

Sir, as you will recall that in the year 2017, due to serious customer complaints, there was a demerger of the single category of “Printer-Ink Cartridges” to “Printer Ink Cartridges (Original OEM)” and “Compatible Printer Ink Cartridges” which were later renamed as “OEM Cartridge/ consumable” and “Compatible Cartridge”. We understand that GeM prime concern is to protect the interest of the Buyers/Consumers and we enumerate the reasons why this merger will go against the very basic essence of customer interests: -

1. The total business of Cartridges at GeM in FY 20 and FY 19 is Rs 348 crores and Rs 345 crores respectively where OEM Cartridge/consumable stood at Rs 299 crores and Rs 266 crores respectively while the compatible cartridges business at GeM stood at Rs 49 crores and Rs 78 crores respectively. Hence, it is inferred that OEM Cartridge business grew by 12% while compatible cartridges de-grew by 37% in FY 20. This can be attributed to the fact that Original Equipment Manufacturers (OEM) have invested significantly in last 3 decades in educating the consumers on the merits of using the original cartridge. The growth of OEM cartridge business directly signifies the consumer preference for original cartridge which is based on better print quality, longer life of the equipment, and OEM warranties linked with its use. The de-growth in Compatible segment should not be used as a reason for merging the two categories as this may lead to creating a confusion for those customer who intend to buy an original cartridge but unintentionally buy a compatible cartridge.
2. We understand that many customers have written to GeM indicating that having separate categories makes it easier for them to make informed choices (Kindly refer to the attached documents where customers have written directly to GeM)

3. It has been observed that many compatible cartridge vendors are using OEM names/Brand images which to unsuspecting customers might appear genuine printer OEM cartridges. It is quite evident that a single category will confuse the customer in differentiating between the genuine OEM cartridges and compatibles portraying themselves as Originals as they have only one official portal for public procurement. Kindly refer to some of the images which are currently uploaded at GeM site (as on 30.12.2020) using prominent brand images.
4. Printer OEMs have created more than 30000 incidents against such catalogues. We understand that catalogue removals were done by GeM but no further punitive action was initiated beyond this to dissuade this rampant malpractice adopted by the unscrupulous sellers. As a matter of fact, there are thousands of such catalogues still uploaded & available on GeM portal. As mentioned in point no. 3, we have enclosed a few of such images just doing a quick search across various brands.
5. OEMs do not certify the compatibility of these cartridges with their printers & are merely as self-declaration by the compatible cartridge vendor/manufacturers. OEMs invest significantly on R&D in order to ensure the best print quality & user experience. Hence, no brand can provide warranty support if any damage happens to the printer after using compatible cartridges. However, there have been instances where the customers expect from the brands to honour warranty support despite using such compatibles which is unreasonable.

Hence, in the interest of consumers and based on the facts presented above, **we request you to NOT merge the two categories.**

With regards,



George Paul
Chief Executive Officer

CC: Shri Talleen Kumar, CEO, Government e-Marketplace (GeM)

CC: Shri Sanjay Chadha, Additional Secretary, Ministry of Commerce & Industry