

Memorandum

Contents of meeting October 10, 2014.

It was observed that due to mischievous policies & business malpractices of online web portals, the traditional retail community is suffering a lot. The following points were discussed in details:-

1. The price discrimination at the hands of principal companies/vendors was discussed, it was observed that various IT hardware products are available at these portals at upto 50% of our purchase price, which is a very serious in nature & need to be addressed immediately.

2. It was observed that various types of discounts & cash back scheme/cross subsidy offered by these web portals is affecting the market sales very badly & even vendor companies are suffering because of these illegal malpractices adopted by these web portals.

3. It was observed that even the consumer, who was induced to buy from these portals due to substandard & even fake/spurious material being sold by these portals. There were even service related issues with these portal companies.

4. It was observed that due to huge price difference between various web portals was leading to very uncomfortable situation for Principal/vendor/dealers, & it seems that no vendor has any solution to this confusion & menace.

5. It was observed that just to give false satisfaction to retail partners, various vendors are offering different models at highly discounted prices on these portals with slight change in model number but with same or superior specifications. So this whole eyewash & drama of this unholy nexus between vendors & these portal companies stand exposed.

6. It was observed that many of the dealers, who are selling on these portals are not registered with any taxation department & causing a huge loss to the Govt. exchequer. There are many cases of fake goods being sold through these portals. Even some legal action has been initiated by local police against these portals.

7. *It was also discussed that many States have taken cognisance and taken remedial action against the menace/mess caused by these web portals. They have stopped the movement of goods sold by these portals in their State.*

8. *It was observed that if this mall practice is not stop immediately, there can be a major lay off of employees of Distributors/Dealers etc.*

Accordingly we hereby proposed the following remedial actions to overcome these menace for the mutual benefit of vendor/retail partners/consumer:-

a. *All the principals and vendors who are directly or indirectly(WS) fuelling this illegal trade should immediately disassociate themselves from these portal companies sales.*

b. *All the retail partners should be directly billed by various vendor companies rather than through the greedy Tier 1 ND,s or distributors who are selling directly online at amazing low prices and creating this mess.*

c. *All vendor company portals like sales portal, warranty registration portal, ADP registration portal & seasonal/festival offer portal should clearly deny & discourage registration of various schemes.*

d. *All the vendor companies should give full page press advertisements clearly mentioning that they discourage online sales & people buying on these portals can face serious service related issues.*

It was unanimously decided that all the Channel/retail community will completely 'BAN' all the purchases/financial transactions from these vendors till the matter is resolved.

For PACT

(President)