

**RINL- MEMORANDUM OF UNDERSTANDING (MOU) FOR FY 2024-25  
(Retailers & Manufacturers)**

1.0 Objective :

The objective of entering into MOU during FY 2024-25 is to achieve the targeted annual sales plan for the year. While doing so due emphasis is given to consolidate the customer base by way of bringing additional customers under RINL fold for enhanced sales volumes through development of new products and new market.

2.0 MOU Categories :

2.1 **MOU – 1** with Manufacturers\*:-

MOU is to be entered into for the following product categories, mentioning clearly the total quantity against each product category \*\*

Sl.No	Product category	Remarks
1.	Wire Rod Coils of all sizes from WRM & WRM 2 (excluding Rebars in coil form)	Separate MOU needs to be entered by the customers for each Product category.
2.	Round including SBM Round in Coil form but excluding Forged Rounds, Cast Rounds and 20.64/23 mm 55 Si7 Grade Spring Steel Round.	
3.	Semis will be supplied in the following category: Rolled Billet ( sizes 55 mm to 115 mm).	

\*Who use the product for further processing in the unit.

\*\*all grades including new grades which will be produced from time to time.

2.2 **MOU-2** with Retailers:

MOU is to be entered into for the following product categories, mentioning clearly the total quantity against each product category \*\*

Sl.No	Product Category	Remarks
1.	TMT Rebar(in straight lengths and coils)	Separate MOU needs to be entered for each Product category.
2.	Structural (Angles, Channels, Beams and Flats etc., except Spring Steel Flats).	
3.	Round including SBM Round in Coil form but excluding Forged Round, Cast Round and 20.64/23 mm 55 Si7 Grade Spring Steel Round.	
4.	Semis will be supplied in the following category: Rolled Billet ( sizes 55 mm to 115 mm)	

\*\*all grades including new grades which will be produced from time to time

2.3 **MOU–3** with **MSEs (Micro & Small Enterprises \*-**

MOU is to be entered into for the following product categories, mentioning clearly the total quantity against each product category \*\*

Sl.No	Product Category	Remarks
1	Wire Rod Coils of all sizes from WRM & WRM 2 (excluding Rebars in coil form)	Separate MOU needs to be entered for each Product category.
2	Round including SBM Round in Coil form but excluding Forged Rounds, Cast Rounds and 20.64/23 mm 55 Si7 Grade Spring Steel Round.	
3	Structural (Angles, Channels, Beams and Flats etc., including Spring Steel Flats).	
4	Semis will be supplied in the following category: Rolled Billet ( sizes 55 mm to 115 mm)	

\*Who use the product for further processing in the unit.

\*\*all grades including new grades, which will be produced from time to time.

### 3.0 General terms of MOU :

3.1 MOU shall be for a period of one year starting from 01/04/2024 up to 31/03/2025 or part thereof.

3.2 Multiple MOUs to be entered, if the customer is interested for multiple product categories. For same product category customer cannot enter into multiple MOU.

3.3 MOUs can be signed for prime grades only. However, normal arisings like OG, CG, OFF, SL, PC, OD, MC, Assorted, and any other arisings, can also be supplied against the MOU depending upon the availability as well as subject to mutual agreement. Incentives shall be applicable on lifting of arisings also.

### 4.0 MOU FULFILMENT CRITERIA

4.1 All MOUs: Minimum lifting of 90 % of the MOU quantity during the MOU period will be considered as MOU fulfilled.

### 5.0 INCENTIVES FOR CONSISTENCY AND TOTAL QUANTITY INCENTIVE

5.1 Incentives for MOU fulfillment is in two parts, part one is Total Quantity Incentive, including additional Total Quantity Incentive to MSEs and part two is Consistency incentive. Any Incentive is payable only if the MOU is fulfilled as per clause 4.0 above. Consistency incentive is payable only if the customer fulfills the minimum lifting criteria in all the quarters as applicable as mentioned in the table below and also completes minimum 90% of the MOU quantity in the MOU period. However, MOUs entered in the third or fourth quarter shall not be eligible for consistency incentive. In case, the customers lift 45 % of the MOU quantity in the first half of the year (Qtr I & II together) but fails to lift the individual percentages in either Qtr I or Qtr II, the customers are still eligible for consistency incentive subject to fulfilling lifting **of a** minimum 10 % each in Qtr. I & Qtr. II and 90 % of the MOU quantity in the MOU period.

In case, the customers lift 75 % of the MOU quantity in the first nine months of the year (Qtr. I, II & III together) but fail to lift the individual percentages in any one or more of the three quarters, Qtr. I or Qtr. II or Qtr. III, the customers are still eligible for consistency incentive subject to fulfilling lifting of a minimum 10 % each in Qtr. I, Qtr. II and Qtr. III and 90 % of the MOU quantity in the MOU period.

However, in case of customers who become eligible for consistency incentive by lifting 45 % fulfilment up to II Qtr. or 75 % fulfilment up to III Qtr., the Consistency Incentive payable will be equal to the consistency incentive applicable for the slab quantity for which they signed MOU initially and not for the consistency incentive applicable for the revised MOU slab quantity, even if MOU enhancement is made.

In case of SSIC/NSIC/ Micro & Small Enterprises, consistency incentive is payable if they lift a minimum 10 % of MOU quantity in each quarter, and also complete lifting minimum 90% of the MOU quantity in the MOU period.

Quarter during which MOU is signed	Minimum % of MOU quantity to be lifted quarter-wise			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
1 <sup>st</sup> Qtr. (upto30.06.24)	17	23	25	25
2 <sup>nd</sup> Qtr. (from 01.07.24 to 30.09.24)	Nil	20	35	35

(Consistency incentive will be applicable for the customers signing MOU in the first or second quarters only. No consistency incentive will be applicable for the customers signing MOU in the third or fourth quarter.)

\*In case of revision in the MOU quantities as allowed under clause 5.9 below, the % of MOU quantity to be lifted quarter wise shall be based on the revised MOU quantity prospectively, on pro-rata basis from the sub-sequent month of date of approval. The eligible quantity for fulfilment of consistency norm shall be re-worked, prospectively, on pro-rata basis, accordingly.

## 5.2 Incentive table for MOU-1 (for Manufacturers):

5.2 Incentive table for MOU-1 (for Manufacturers):					
MOU-I Qty. for individual product category			Incentives(In Rs/MT)		
WRC	Round	Semis	TQI (Rs/(MT))	Consistency (Rs/MT)	Total
WRC	Round including SBM Rounds in Coil form, but excluding Forged Rounds, Cast Rounds and 20.64/23 mm 55 Si7 Grade Spring Steel Rounds	Rolled Billet ( sizes 55 mm to 115 mm)			(Rs/MT)
Slab (MT)	Slab (MT)	Slab (MT)			
>1200-3600	>1200-2400	>1200-2400	100	100	200
>3600-6000	>2400-4800	>2400-4800	125	125	250
>6000-12000	>4800-6000	>4800-9000	175	150	325
>12000	>6000	>9000	250	150	400

## 5.3 Incentive table for MOU-2 (For Retailers):

5.3 Incentive table for MOU-2 (For Retailers):						
MOU-2 Qty. for individual product category				Incentive (in Rs/MT)		
TMT Rebar	Round	Structural	Semis	TQI (Rs/ (MT))	Consistency (Rs/MT)	Total (Rs/MT)
TMT Rebar	Round including SBM Round in Coil form but excluding Forged Round, Cast Round and 20.64/23 mm 55 Si7 Grade Spring Steel Round	Structural (Angles, Channels, Beams and Flats etc. except Spring Steel Flats )	Rolled Billet ( sizes 55 mm to 115 mm)			

Slab (MT)	Slab(MT)	Slab (MT)	Slab (MT)			
>6000-12000	> 3600-6000	> 3600-4800	>2400-3600	100	100	200
>12000-18000	> 6000-9000	> 4800-6000	>3600-4800	125	125	250
> 18000-24000	>9000-12000	>6000-12000	> 4800-9000	175	150	325
> 24000	>12000	>12000	>9000	250	150	400

### 5.3a Incentive table for MOU-3 (MSEs):

5.3a Incentive table for MOU-3 (MSEs)						
MOU-3 Qty. for individual product category				Incentives(In Rs/MT)		
WRC	Round	Structural	Semis	TQI (Rs/(MT)	Consistency (Rs/MT)	Total
WRC	Round including SBM Round in Coil form but excluding Forged Round, Cast Round and 20.64/23 mm 55 Si7 Grade Spring Steel Round	Structural (Angles, Channels, Beams and Flats, etc.,) including Spring Steel Flats	Rolled Billet ( sizes 55 mm to 115 mm)			(Rs/MT)
Slab (MT)	Slab (MT)	Slab (MT)	Slab (MT)			
>120-600	>120-600	>120-600	>120-600	100	100	200
>600-1800	>600-1800	>600-1800	>600-1800	125	125	250
>1800-3000	>1800-3000	>1800-3000	>1800-3000	175	150	325
>3000	>3000	>3000	>3000	250	150	400

### 5.4 Incentive table for NSIC/SSIC:

Product	Incentive (In Rs/MT)
Semis, WRCs & Rounds	Incentive as per MOU-1 table.
TMT Rebars and Structural	Incentive as per MOU-2 table.

5.5 The incentives are to be given in the form of credit note, the same shall be absolute and lump sum amount without any adjustments towards any statutory levy like GST, Octroi etc.

#### 5.5.1 For MOU in the product category of Rolled Billet (sizes 55 mm to 115 mm), Rounds and Structural only:

An additional TQI shall be payable to MOU customers, for product categories of Rolled Billet ( sizes 55 mm to 115 mm), Round & Structural only, for those customers who are successful in FY 2023-24 and enter into MOU in FY 2024-25 for a quantity more than the final MOU quantity of FY 2023-24 as on 31.03.2024. They must also lift quantity more than the quantity lifted in FY 2023-24 and have to complete 100% of the Original MOU quantity signed in FY 2024-25. The additional TQI payable to such customers shall be as per the following slabs;

Original MOU qty (MT)	TQI(Rs/MT)
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< OR = 3000	25
>3000	50

- 5.6 Quantities lifted during the period 01.04.2023 to 31.03.2024 shall be considered for Incentives provided the MOU is signed within time specified in circular. However, MOU signed after the specified date, incentives will be applicable prospectively.
- 5.7 Customer may be offered additional quantities over the MOU quantity. Incentive shall be payable on the total lifted quantities including the additional quantities offered, subject to the customer fulfilling all other MOU terms and conditions. However the MOU incentives shall be limited to maximum 120% lifting of original or enhanced MOU quantity, except, in case of reduction of MOU quantity exercised by the customer where the MOU incentive shall be restricted to such reduced MOU quantity only.
- 5.8 No Incentive will be applicable to the quantities lifted against Tender Sales / E-Auction and Quality complaint return material
- 5.8.1 Lifting by MOU customers from extension counters and consignment sales agency premises attached to the same branch, Conversion Agents attached to the same branch shall be considered for MOU fulfilment and incentive thereof. Similarly, lifting by MOU customers from other branches (except HQ) shall be considered with the approval of RM/RMs.

In case a Manufacturer is desirous to lift the material from more than one Branch, the customer should sign MOU with one Branch (Parent Branch) mentioning the break-up of Branch-wise quantities intended to be lifted. This option is available at the time of signing of MOU and the customer is allowed to change the indicative quantities once during the MOU period, at least 3 months prior to the expiry of MOU, i.e., before 31.12.2024, subject to material availability with RINL.

However, the customer is not allowed to reduce the indicative quantity given for any particular Branch by more than 10 % of the quantity indicated at the time of signing of MOU while the total combined MOU quantity remaining the same as original MOU quantity.

Also, while opting for enhancement /reduction of MOU quantities, the revised indicative quantity for any branch shall not be less than 90% of pre-revised MOU quantities.

MOU Incentives shall be payable on the total lifted quantities from all the Branches put together, subject to the customer fulfilling all other MOU terms and conditions

All MOU related operations like MOU enhancement/reduction etc., shall be carried out by the Parent Branch only. MOU Incentives like TQI and Consistency and other MOU benefits, if any, shall be processed/pursued by the Parent Branch signing the MOU.

Monthly (MQI), Quarterly(QLI) slab quantity and other schemes, if any, shall be applicable, branch-wise, from where the material is lifted. The eligible discounts, as applicable will be passed on by the respective branches which delivers the material.

For each MOU entered with the customer, unique number will be given by the respective branch (Manually). If the customer specifies breakup of the MOU quantity that is proposed to be lifted from other branches, the MOUs will be entered in ERP accordingly with the mention of MOU unique number against each MOU entered in ERP. MOU unique identification number shall be quoted for all purposes.

- 5.8.2 Quantities lifted by MOU customers on ex-plant basis (against SOA from concerned Branch) will qualify for all incentives under MOU while considering the clause against MOU fulfillment.
- 5.8.3 No Incentive (TQI & Consistency) is payable on quantity lifted under E-auction, Tender and customer returned quantity. However in case of shortfall in fulfillment of MOU, the quantity lifted against e-auction and Tender will be considered to the extent of such shortfall for fulfillment of the MOU (Original or revised MOU slab entered as case may be) only (for both TQI as well as Consistency), provided the product falls under same product category of MOU entered.

Further, in case, Quality Complaint is accepted by RINL, and RINL fails to replenish similar material within the MOU period, such quantities will be considered for MOU fulfillment, but no MOU incentives will be paid for that quantity.

- 5.9 The quantities under MOU can be enhanced on mutual agreement basis, subject to lifted quantity being more than 60 % and less than 90% of the original/revised MOU quantities, as applicable, at the time of receipt of enhancement request. Facility of enhancement of MOU quantity will be available twice during the MOU period, once before the end of second Qtr. & second time during the third Qtr. However, in any case, MOU enhancement is to be carried out before 31.12.2024 only, subject to availability of material with RINL.

However, the facility of first enhancement of MOU quantity is to be utilized by the customer during the first two quarters of the Financial Year. In case, they fail to utilize this facility in the first two quarters, they are allowed to enhance their MOU quantity only once in the third quarter and before 31.12.2024, subject to availability of material with RINL.

In case, the option of enhancement of MOU quantity is exercised by the customer, as permitted under the policy, MOU quantity cannot be reduced subsequently.

The quantities under the MOU can also be reduced only once by the customer by maximum 5 % of the original MOU quantity. However, MOU reduction is not allowed below the lowest slab quantity in that product category. For example, for a customer signing an MOU for 1201 MT under the slab quantity >1200-3600 MT, MOU quantity cannot be reduced. Another customer signing an MOU for 1260 MT, cannot reduce MOU quantity below 1201 MT.

This option of reduction in MOU Quantity can be exercised by the customer at least 3 months prior to the expiry of MOU, i.e., before 31.12.2024. RINL has an option to reduce the MOU quantity to 90% of the original MOU quantity at any point of time during the MOU period.

In case, the option of reduction of quantity is exercised by the customer, as permitted under the policy, MOU quantity cannot be enhanced subsequently and the MOU incentive shall be applicable for the Reduced MOU Quantity only, with the applicable TQI slab corresponding to the slab in which the reduced MOU quantity falls.

- 5.9.1 The Branches/Regions to process the proposals for MOU enhancement / reduction, for approval of the competent authority, immediately upon receipt from the customers. All such requests received from the customers are required to be processed by the Branch within a maximum period of 7 working days. In exceptional cases, where the process gets delayed beyond 7 working days, the reasons are to be recorded for the appraisal of the competent authority. The proposals for MOU enhancement shall be processed, subject to material availability with RINL.

- 5.10 Customers completing 90% of the MOU quantity before 31st March shall be allowed to lift material against the accrued TQI. The facility will be allowed only once to such customers on request. The quantity lifted against such accrued TQI shall also be considered for final TQI after completion of MOU tenure. No cash discounts shall be allowed for liftings made against such arrangement.

Alternatively, customers completing 90% of the MOU quantity will be allowed to lift material against accrued TQI on 30 days IFC, with the approval of concerned RM. This arrangement can be rotated in case the customer replenishes the credit amount on or before the due date. No cash discounts shall be allowed for liftings made against such arrangement. The quantity lifted against such accrued TQI shall also be considered for final TQI after completion of MOU tenure.

- 5.11 After fulfilling the lifting and the MOU obligations, customers are eligible for Incentive corresponding to the MOU quantity slab (Original or revised MOU slab entered as case may be), provided the lifting quantity is equal to or more than the lower end of the slab quantity ( original or revised slab entered as the case may be). In case the lifting quantity falls below the lower end of the slab quantity (original or revised slab entered as the case may be) they become eligible for incentive corresponding to the lower slab category. If a lower slab does not exist, they will not be eligible for MOU incentives.

### **Illustration -I**

I Slab: >240-600

II Slab >600<1800

Customer signs an MOU for 610 MT and lifts 549 MT, 90 % of the MOU quantity, as per the Policy, they become eligible for MOU incentive however, they will be eligible for incentives corresponding to the 240-600 Slab and not corresponding to the 600-1800 slab.

In case a customer signs MOU for 240 MT, and lifts 216 MT, 90 % of the MOU quantity, since the lifting quantity is less than the lower end of the slab (240 MT), and there is no other slab below this slab, they will not be eligible any MOU incentive.

### **Illustration-II**

I Slab: >240-600

II Slab >600<1800

III Slab >1800 <3600

Customer signs an MOU for 240 MT and lifts 720 MT, they will be eligible for incentives corresponding to the >240-600 slab.

Customer signs an MOU for 240 MT and lifts 2160 MT, they will be eligible for incentives corresponding to the >240-600 slab.

Customer signs an MOU for 240 MT, enhances MOU quantity to 1700 MT and lifts 2040 MT, they will be eligible for incentives corresponding to the >600<1800 slab only.

However the MOU incentives shall be limited to maximum 120% lifting of original or enhanced MOU quantity with applicable TQI slab corresponding to the slab in which original or enhanced MOU quantity falls, except, in case of reduction of MOU quantity exercised by the customer where the MOU incentive shall be restricted to such reduced MOU quantity only with the applicable TQI slab corresponding to the slab in which the reduced MOU quantity falls.

5.12 Manufacturers interested in Value Added Steel Products can enter into MOU for specific Value Added Steel Grades in different product categories as given below, in addition to other grade categories:

a) Wire Rod coils: Medium Carbon, MS-Carbon range with High Manganese, MC-Carbon range with High Manganese Cold Heading, Boron Steel, Electrode Grade, Alloy Steel, High Carbon.

b) Rounds- Medium Carbon (MC) & Cr. Steel grade of Rounds (40/41Cr4, 16/20 MnCr5)

c) Billets- Medium Carbon(MC), Spring Steel

The required quantities have to be mentioned separately in the MOU for the above category (ies) to get priority in material allocation.

In a single MOU, both VAS Grade categories and other grade categories can be signed, by giving bifurcated quantities.

Quantity for TQI slab shall be considered with the total MOU quantity i.e. quantity of VAS & other grade categories together in each product category.

MOU shall be successful only on fulfillment of a minimum of 90% of the MOU quantity in VAS grade category (ies) and other grade category put together. TQI shall be payable to successful MOU customers.

The quantities under MOU can be enhanced for VAS grades or other grades separately on fulfillment of overall lifting criteria as mentioned in clause 5.9.

The quantities under the MOU can also be reduced only once by the customer by maximum 5 % of the original MOU quantities of VAS grades or other grades separately.

Customers under such MOUs shall be eligible for consistency bonus as per clause of consistency (clause 5.1). Fulfilment of the consistency criterion shall be considered with the lifted quantity under in VAS grade category (ies) and other grade category put together. Consistency bonus is payable on successful completion of MOU.

In case of Wire Rod Coils, the customers may be allowed to indicate their grade-wise requirements at the time of signing of MOUs. Such quantities will be indicative in nature and not binding on both the parties. At the time of allocation/offer of material to the customers, priority shall be given for the customers who have given the grade-wise requirements at the time of signing of MOUs and efforts shall be made to fulfil their quarterly requirements.

#### 5.13 The distribution of the Material and MOU fulfilment criteria:

The distribution of material among MOU customers during the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarters will be based on the MOU quantity ratios. In the 4<sup>th</sup> quarter 100 % weightage will be given for liftings upto the 3<sup>rd</sup> quarter.

Example: 3 customers signed MOU for 100 tons each and lifted 30, 60 and 90 tons upto the third quarter. In case of allotment of 180 MT during the fourth quarter, the ratio of allocation will be 30:60:90 or 1:2:3 against the allocation given to the Branch.

For the MOUs signed in the first two quarters, MOUs will be automatically closed in case of lifting is less than 20% of their MOU quantity in the first two quarters. No material allocation will be given starting from 1st October based on MOU quantities and material can be lifted on spot sales basis, depending upon availability. No MOU incentives will be given.

However, in case of Manufacturers who signed MOUs in the first two quarters and not lifted a minimum of 20 % of their MOU quantity in the first two quarters, they can exercise an option to either revise their MOU (here they can reduce the MOU quantity by maximum 5 % of the original MOU quantity) or reenter a fresh MOU for a different MOU quantity. This can be allowed during the beginning of the third quarter with the reasons recorded such as non-rolling of specific items and non-supply of material by RINL, temporary closure of their unit etc. In case of signing a new MOU, the quantities lifted in the first two quarters will become null and void for the purpose of MOU entitlement. In case of revision of MOU quantities, the quantities lifted up to the end of second quarter will be considered for the purpose of MOU entitlement and will be added to their annual lifted quantities.

For the customers signing MOUs in 3<sup>rd</sup> quarter, in case of 'NIL' lifting in the 3<sup>rd</sup> quarter, the MOUs will be automatically closed and no material allocation will be given starting from 1st January based on MOU quantities and material will be offered on spot sales basis, depending upon availability.

- 6.0 The MOU shall be generally guided by the terms of RINL's MOU guidelines for FY 2024-25. However, the specific conditions mentioned above, in case of conflict, shall supersede the provisions mentioned in the operating guidelines.
- 7.0 Manufacturers who lifted at least 40% of the final MOU quantity in FY 2023-24 by the end of 31.03.2024 shall be eligible for MOU in the FY 2024-25. Manufacturers failing to lift 40% of the final MOU quantity in FY 2023-24 shall also be eligible for MOU in the FY 2024-25. However, material allocation to them for MOU will be made after fulfilling the requirements of those customers (Manufacturers) who have lifted at least 40 % of the final MOU quantity in FY 2023-24.
- 8.0 In case RINL is not able to supply the material against accepted orders of the customers during March 2025, such pending order quantities as on 01-04-2025 may be considered by RINL for servicing till 30-04-2025. The price applicable shall be the price prevailing on the date of RR for direct despatches/ date of Invoice for Plant/Stockyard deliveries. Such quantities lifted in April 2025 would be deemed to have been supplied against MOUs for the FY 2024-25 and MOU related benefits viz., TQI and Consistency shall be passed on accordingly. For such cases, IV quarter will also be deemed to be extended upto 30.04.2025.

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