

Policy guidelines for sale of material through 2-tier Sales and Distribution System FY 2024-25

1.0 Preamble:

- 1.1 RINL is one of the major producers of Long Steel products in the Country with sales volume of about 50 Lakhs MT per annum of saleable steel being distributed through various segments and is channelizing more than 60 % of its TMT Rebars & Structural through Retailers segment.
- 1.2 "Retailers" are functioning as a channel for meeting the requirement in small quantities from other customers and they serve as wholesalers or bulk purchasers with an objective of resale to other traders or end-users after breaking down bulk quantities into smaller quantities.
- 1.3 In order to create visibility to the end consumers and to redefine retail distribution network focusing on volume growth in core markets and price growth through increased brand premium, RINL intends to establish 2-tier Sales & Distribution system.

Scope of Work

- I. RINL intends to establish a 2-tier sales and distribution system for some of its products, viz., TMT Rebars and Structural, to begin with. With this end in view, RINL intends to appoint a Distributor for TMT Rebar and Structural.
- II. RINL Distributor shall be appointed for a period of Five (5) Years from the date of Letter of Appointment (LOA). The Distributor shall in turn appoint Dealers in consultation with RINL in the identified territorial jurisdiction to cover maximum district /talukas / blocks etc. within their jurisdiction.
- III. The Distributor shall exclusively deal RINL products and shall not deal with Steel Material of any other producers in the same premises.
- IV. The Distributor/Dealer have to purchase the required hardware/ Computers (desktops/laptops) and other peripherals) and integrate the sales and related data with the interface provided by RINL.
- V. The Distributor shall carry out various marketing and promotional activities in their specified jurisdiction for developing the retail sales of RINL. They will also assist RINL in carrying out promotional activities on its own.
- VI. The Distributor shall develop market for RINL products through promotional activities, maintaining sales force for procuring orders and extending services to Dealers, educating end users and assisting RINL in brand building efforts.

2.0 Location of Distributors/Dealer:

- 2.1 RINL is also desirous to increase its market share by permitting the Distributors to open multiple outlets at the preferred locations by way of appointing dealers. The permission for appointing Dealers by the Distributors shall be obtained from the Regional Office/ Branch sales Office (BSO) which appointed the Distributors.
- 2.2 Dealer outlet is a place where a sales office of the dealer is located for doing sales operations like booking of orders, receiving payments etc. & servicing the end customers through a warehouse of suitable area with facilities for operational convenience.
- 2.3 The location of this outlet in the market should be within the jurisdiction of the distributor with a limited conflict with the existing RINL Retailers/Dealers.

2.4 Distributor shall establish warehousing facilities within the jurisdiction of distributorship prescribed by RINL ensuring forward movement of steel to dealers.

3.0 Products Covered under Distributorship:

3.1 TMT Rebar and Structural.

3.2 RINL may also add other product (s) during the tenure of agreement which are consumed in retail or small project segment based on the jurisdiction of the distributor, with the approval of competent authority.

4.0 Period of Registration:

4.1 The RINL Distributor shall be appointed for a period of five (5) years from the date of Letter of Appointment (LOA).

5.0 Method of Selection of Distributor:

5.1 The concerned Branch under whose jurisdiction the 2-tier Sales & Distribution system falls shall take necessary action for appointment of the Distributor.

5.2 The process of appointment of Distributor shall be done through website notification/advertisement, once in a year. Web/Open Advertisement for appointment of new distributors at selected locations shall be taken up once in a year at the beginning of the financial year or any time during the year specifying additional number of distributors proposed to be registered with specified Branches or Regions and this will be done by the Regional Office.

Interested parties can also apply online through RINL website. Prospective Distributor to give their willingness /Expression of Interest to start a Distributorship in an area having a potential for RINL range of products.

5.3 The distributor registered with a particular Branch of RINL need to apply against web/open advertisement, in case they wish to register with any other Branch of RINL.

5.4 RM under whose jurisdiction the area falls, will issue the Letter of Appointment (LOA) for appointment, indicating the validity period to the Distributor in duplicate.

5.5 A copy of the LOA shall be returned by the Distributor to the designated Region/Branch of RINL duly endorsed by the authorized signatory of the Distributor as a token of acceptance.

6.0 Evaluation criteria of application for Distributor

6.1 Applications for Distributor shall be evaluated by the Branch Level Committee on a 50 point scale consisting of attributes - Retail capability: weightage 40%, Infrastructure capability: weightage 30%, Financial capabilities: weightage 30%. The details of evaluation criteria is given below.

6.2 In case of a tie between two or more applicants, the applicant having the highest Retail capability, will be given the preference for appointment. In case of further tie, the infrastructural capabilities and financial capabilities will be considered in that order. The decision of RINL is final and is binding on all the parties concerned.

6.3 The Branch Level Committee shall consider only the claims made in the application and the documents submitted along with the application. In case of any discrepancy or insufficiency found in the application or the documents submitted along with the application, the Branch Level Committee may ask the applicant to substantiate their claims made in the application by submitting the required information/documents. A reasonable time will be given to the applicants.

7.0 Distributors to be selected based on assessment of 3 key capabilities

7.1 Retail capability: weightage 40%

- Business Field Steel & Cement , Steel, Cement, other Building material
- Number of years of retail experience in Steel & Cement , Steel, Cement or building material
- Existing base of dealer network

7.2 Infrastructure capability: weightage 30%

- Warehousing facility (at least 1.0 acre of land for 1500/2000 MT either own/leased and at least 0.5 acre of land for 500/1000 MT either own/leased)
- Proximity to the Railway siding/Highway
- Handling, delivery and weightment facilities
- Number of sales executives
- Infrastructure for value added services like de-coiling, cut & bend services

7.3 Financial capabilities: weightage 30%

- Annual turnover for preceding three years
- Credit limits sanctioned and utilized
- Credit Worthiness & Solvency
- Net Worth
- Bank's rating of the party

7.4 All applicants who submit the banker's reference indicating credit worthiness and solvency shall be awarded the points under this category. Points can be allotted based on the solvency of the applicant in respective slabs. Bankers Certificate (other than cooperative banks) should be generally in line with the prescribed format. It may be noted that the banker's certificate should be submitted in Bank's sealed Envelope addressed directly to RINL. Points shall be allotted based on limits mentioned in Bankers Certificate

7.5 Total Evaluation points at the Branch level are 50 (Fifty). A minimum 25% of the points in each of the capabilities and a minimum 25 (50%) points of the total 50 points are to be scored for consideration by the Branch Level Committee for recommendation. Regional Committee will further allocate a maximum 10 points for the applicants based on the presentation given by them on the sustainability of business, their current business model, market potential , quality consciousness and promoting of RINL's business in that area. The total evaluation points will be 60 including the 10 point marks given by the Regional Committee as mentioned above. The summary report on the evaluation of each applicant shall be given by the respective committees in the format as given at Annexures I & II.

7.6 The applicant who scored the highest marks out of 60 marks will be considered for appointment of the Distributor. In case of a tie between two or more applicants, the applicant having the highest Retail capability will be given the preference for appointment. In case of a further tie, the infrastructural capabilities and financial capabilities will be considered in that order. The decision of RINL is final and is binding on all the parties concerned.

7.7

7.7 Evaluation Criteria (for 2000 MT/per month)		Criteria	Rating	Maximum Score
Financial Capabilities	Highest Annual turnover in immediately preceding three years	More than 90 Crores	5	5
		60-90 Crores	4	
		45-60 Crores	3	
		30-45 Crore	2	
		10- 30 Crores	1	
		less than 10 Crores	0	
	Bank Limits	More than 20 Crores	5	5

		15-20 Crores	4		
		10-15 Crores	3		
		5-10 Crores	2		
		2-5 Crores	1		
		Less than 2 Crores	0		
	Credit Worthiness & Solvency	Good	2		2
		Satisfactory	1		
	Net Worth	more than 50 Crores	3		3
		20-50 Crores	2		
		5-20 Crores	1		
less than 5 Crores		0			
Infrastructural Capabilities	Warehousing Facility	Ownership	Fully owned	2	2
			on lease	1	
		Size of Warehouse	More than 1 acre	5	5
	0.5-1 acres		3		
	Less than 0.5 acre		1		
	De-coiling facility	Ownership	Fully owned	2	2
			on lease	1	
	Bending Facility	Ownership	Fully owned	2	2
			on lease	1	
	Location	Within 10 kms of railway siding/ highway		4	4
		Between 10-20 kms from railway siding/highway		3	
		More than 20 kms from railway siding/highway		1	
Retail Capability	Applicant's Business Field	Steel & Cement	7	7	
		Steel	6		
		Cement	5		
		Other Building Material	3		
	Presence in market	More than 5 years	6	6	
		3-5 years	5		
		1-3 years	4		
		Less than 1 year	3		
		New Entrant	1		
	Customer reach	More than 20 dealers	7	7	
		15-20 dealers	5		
		10-15 dealers	3		
Less than 10 dealers		1			
Total			50		

7.7 Evaluation Criteria(for 1500 MT/per month)		Criteria	Rating	Maximum Score
Financial Capabilities	Highest Annual turnover in immediately preceding three years	More than 65 Crores	5	5
		45-65 Crores	4	
		30- 45Crores	3	
		20-30 Crore	2	
		10- 20 Crores	1	
		less than 10 Crores	0	
	Bank Limits	More than 20 Crores	5	5
		15-20 Crores	4	
		10-15 Crores	3	

		5-10 Crores	2		
		2-5 Crores	1		
		Less than 2 Crores	0		
	Credit Worthiness & Solvency	Good	2	2	
		Satisfactory	1		
	Net Worth	more than 50 Crores	3	3	
		20-50 Crores	2		
5-20 Crores		1			
less than 5 Crores		0			
Infrastructural Capabilities	Warehousing Facility	Ownership	Fully owned	2	2
		on lease	1		
	Size of Warehouse	More than 1 acre	5	5	
		0.5-1 acres	3		
		Less than 0.5 acre	1		
	De-coiling facility	Ownership	Fully owned	2	2
		on lease	1		
	Bending Facility	Ownership	Fully owned	2	2
		on lease	1		
	Location	Within 10 kms of railway siding/ highway	4	4	
		Between 10-20 kms from railway siding/highway	3		
More than 20 kms from railway siding/highway		1			
Retail Capability	Applicant's Business Field	Steel & Cement	7	7	
		Steel	6		
		Cement	5		
		Other Building Material	3		
	Presence in market	More than 5 years	6	6	
		3-5 years	5		
		1-3 years	4		
		Less than 1 year	3		
		New Entrant	1		
	Customer reach	More than 20 dealers	7	7	
		15-20 dealers	5		
		10-15 dealers	3		
		Less than 10 dealers	1		
Total				50	
7.7 Evaluation Criteria(for 1000 MT/per month)_		Criteria	Rating	Maximum Score	
Financial Capabilities	Highest Annual turnover in immediately preceding three years	More than 45 Crores	5	5	
		30-45 Crores	4		
		20-30 Crores	3		
		10-20 Crore	2		
		5- 10 Crores	1		
		less than 5 Crores	0		
	Bank Limits	More than 10 Crores	5	5	
7.5-10 Crores		4			

		5-7.5 Crores	3		
		2.5- 5Crores	2		
		1-2.5 Crores	1		
		Less than 1 Crore	0		
	Credit Worthiness & Solvency	Good	2	2	
		Satisfactory	1		
	Net Worth	more than 25 Crores	3	3	
		10-25Crores	2		
		2.5-10 Crores	1		
		less than 2.5 Crores	0		
Infrastructural Capabilities	Warehousing Facility	Ownership	Fully owned	2	2
		on lease	1		
	Size of Warehouse	More than 0.5 acre	5	5	
		0.25 -0.5 acres	3		
		Less than 0.25 acre	1		
	De-coiling facility	Ownership	Fully owned	2	2
		on lease	1		
	Bending Facility	Ownership	Fully owned	2	2
			on lease	1	
	Location	Within 10 kms of railway siding/ highway	4	4	
Between 10-20 kms from railway siding/highway		3			
More than 20 kms from railway siding/highway		1			
Retail Capability	Applicant's Business Field	Steel & Cement	7	7	
		Steel	6		
		Cement	5		
		Other Building Material	3		
	Presence in market	More than 5 years	6	6	
		3-5 years	5		
		1-3 years	4		
		Less than 1 year	3		
		New Entrant	1		
	Customer reach	More than 20 dealers	7	7	
15-20 dealers		5			
10-15 dealers		3			
Less than 10 dealers		1			
Total				50	
7.7 Evaluation Criteria (for 500 MT/per month)			Criteria	Rating	Maximum Score
Financial Capabilities	Highest Annual turnover in immediately preceding three years	More than 25 Crores	5	5	
		20-25 Crores	4		
		15-20 Crores	3		
		10-15 Crore	2		
		5- 10 Crores	1		
		less than 5 Crores	0		
	Bank Limits	More than 10 Crores	5	5	
		7.5-10 Crores	4		
5-7.5 Crores		3			

			2.5- 5Crores	2		
			1-2.5 Crores	1		
			Less than 1 Crore	0		
	Credit Worthiness & Solvency		Good	2	2	
			Satisfactory	1		
	Net Worth			more than 25 Crores	3	3
				10-25Crores	2	
2.5-10 Crores				1		
less than 2.5 Crores				0		
Infrastructural Capabilities	Warehousing Facility	Ownership	Fully owned	2	2	
			on lease	1		
		Size of Warehouse	More than 0.5 acre	5	5	
			0.25 -0.5 acres	3		
	Less than 0.25 acre		1			
	De-coiling facility	Ownership	Fully owned	2	2	
			on lease	1		
	Bending Facility	Ownership	Fully owned	2	2	
			on lease	1		
	Location			Within 10 kms of railway siding/ highway	4	4
Between 10-20 kms from railway siding/highway				3		
More than 20 kms from railway siding/highway				1		
Retail Capability	Applicant's Business Field		Steel & Cement	7	7	
			Steel	6		
			Cement	5		
			Other Building Material	3		
	Presence in market			More than 5 years	6	6
				3-5 years	5	
				1-3 years	4	
				Less than 1 year	3	
				New Entrant	1	
	Customer reach			More than 20 dealers	7	7
15-20 dealers				5		
10-15 dealers				3		
Less than 10 dealers				1		
Total					50	

8.0 EMD/ Security Deposit

8.1 The Distributor/Applicant is required to furnish an EMD along with the Application. The EMD required to be furnished shall be as following:

Monthly Volume(in MT)	EMD(in Rs.lakhs)
2000	5.00
1500	3.00
1000	2.00
500	1.00

The EMD to be given in the form of A/c payee DD/BC/ RTGS/NEFT/EFT drawn in favor of RINL on any scheduled Bank excluding co-operative banks, payable at (Branch Location). No interest shall be paid by RINL on EMD.

For the successful applicant, the EMD submitted along with the application shall be converted into Security Deposit. No interest shall be paid by RINL on this EMD/Security Deposit. In case successful applicant desires to submit SD in form of a BG, the same can be accepted and EMD amount received will be refunded after receipt & confirmation of SD-BG submitted. The SD-BG shall be submitted as per the standard RINL format and shall remain valid for a period of one year beyond the expiry of the Distributor Agreement.

The Security Deposit shall be refunded / returned on successful completion of all contractual/agreement obligations.

8.2 The sales process shall commence after the Distributor submits Security Deposit, as mentioned above.

9.0 Prices

9.1 Purchase Price:

9.1.1 The Distributor shall purchase material at the price fixed by RINL. The applicable price for the 2-tier distributor shall be fixed on month to month basis, as per the prevailing pricing mechanism as being done for the Branches. Prices will be fixed based on the supply /demand, competitors' prices, market feedback, etc. as per the procedure being followed while fixing the prices for the Branches.

It is envisaged that material will be sent on FOR to the Distributor from ex-plant. FOR deliveries can be made from the Branches with the approval of competent authority. In case the actual freight (FOR) to the Distributor destination is higher than the Rail freight to the Controlling Branch, the additional freight shall be considered while fixing the price. However, in case the Distributor location is nearer to the HQ, then HQ MOP will be considered with actual FOR charges, while fixing the Distributor's Price.

9.2 Selling Price of Distributor and Dealer:

9.2.1 RINL shall fix State-wise MRP (Maximum Retail Price) for the Dealers. Selling price by the Distributor to the Dealers and Dealers to the consumers shall be fixed by Head Quarters in consultation with the dealing Branch with the approval of competent authority.

10.0 Payment Terms

10.1 Distributor shall make 100% Payment in advance. In case the Distributor submits a valid Bank Guarantee Secured Credit facility can also be extended, as per the existing Policy and practice at RINL.

11.0 Delivery

11.1 RINL shall dispatch material to the Distributor's yard on 'FOR' basis. The weight recorded on the Tax Invoice as per RINL weigh bridge or the Conversion Agents' weigh bridge or any other weigh bridge arranged by RINL shall be final unless otherwise specified. No dispute regarding the same shall be entertained. Other terms and conditions shall be as per RINL standard terms & conditions of Quotation and Sales Order.

In case material is sent by Rail, additional charges of Rs.300/- per MT will be paid to the Distributor for unloading at railway siding, loading into vehicles, transportation upto Distributor's go-down.

12.0 Quality and Test Certificate

- 12.1 RINL shall issue Test Certificate for the material supplied to the Distributor and the Test Certificate issued by RINL is final. The Quality complaints, if any, shall be settled as per the Quality Complaint Procedure in vogue at RINL.
- 13.0 Brief Scope of Work of Distributor:**
- 13.1 RINL intends to establish a 2-tier sales and distribution system for some of its products, viz., TMT Rebars and Structural, to begin with. With this end in view, RINL intends to appoint a Distributor for TMT Rebar and Structural. RINL may add other products at a subsequent date. The appointed Distributor would in turn appoint Dealers within their jurisdiction. The Dealers would be responsible for sales and service to small and tiny customers within the Dealers jurisdiction.
- 14.0 TENURE- Tenure for Appointment**
- 14.1 The RINL Distributor shall be appointed for a period of Five (5) Years from the date of Letter of Appointment (LOA).
- 14.2 On periodical review, if performance is not found satisfactory, the Agreement may lead to termination during the tenure of the Agreement, with a 30 days' notice.
- 15.0 Principal responsibilities**
- 15.1.1 The Distributor shall exclusively deal RINL products and shall not deal with Steel Material of any other producers in the same premises.
- 15.1.2 Appointing Dealers (as per prescribed criteria given elsewhere in this section) in consultation with RINL in the identified territorial jurisdiction to cover maximum district /talukas / blocks etc. within their jurisdiction. The certificate of dealership on selection of dealer shall be issued by RINL with "valid from and to date" and will have to be displayed prominently in the Dealer's premises.
- 15.1.3 Arranging materials to the appointed dealers in the territory identified by RINL for the distributor.
- 15.1.4 Monitoring the activities of the Dealers to ensure that the Dealer is properly discharging their roles/responsibilities.
- 15.1.5 Developing market for RINL products through promotional activities, maintaining sales force for procuring orders and extending services to Dealers, educating end users and assisting RINL in brand building efforts.
- 15.1.6 The Distributor shall have all appropriate registrations with statutory authorities at the time of issue of LOA.
- 16.0 Services to be offered by the Distributors:**
- 16.1 Mandatory Services like De- Coiling, straightening, cutting, Bending, Bundling/Strapping/Repacking, Handling, Proper Stacking, tagging etc.,
- 16.2 Distributor shall always maintain minimum inventory level of 10 days equivalent sales in each size of monthly committed quantity per month.
- 16.3 Distributor in turn will ensure that the Dealers attached to them maintain the minimum inventory level for each size equivalent to 10 days sales to ensure continuity in sales to their customers.

- 16.4 The Distributor shall exclusively maintain the transactions between RINL and Distributor and Distributor and Dealers and send a periodic report to RINL. The details shall broadly include
- a) Detailed size-wise inventory at Distributor and Dealer premises,
 - b) Track of invoices issued by Distributor to Dealer and Dealer to end customer,
 - c) Carry out computerized operations like purchase, sales, invoicing, accounting, MIS etc.,
- 16.5 Providing proper Display Board and other promotional items for the dealers as per design provided by RINL.
- 16.6 Providing RINL with inputs on activities of competitors, market intelligence etc., in its territorial jurisdiction from time to time in the format prescribed by RINL.
- 16.7 Timely communication of consolidated demand of various items to RINL for production planning and deliveries.
- 16.8 Furthering the Business interests of RINL in the Distributor's territorial jurisdiction as advised from time to time.

17.0 Infrastructure and facilities required for appointment of Distributors

18.1 LAND:

- 18.1.1 The applicants should have in their possession minimum of 1.0 acre of land for 2000 MT/1500 MT/month of committed quantity or 0.5 acre of land for 1000 MT/500 MT/month of committed quantity (either on ownership or on long lease / sub-lease basis or possessory right) with proper access and regular shape with provision of having a boundary wall/fence and an office building/other infrastructural facilities for handling the agreed quantity. The land should preferably be located within 10 kms of the nearest Railway siding/ Highway. For additional volumes (i.e. upto maximum 5000T/month) infrastructure facility like land, de-coiling machines etc. will need to be enhanced suitably.
- 18.1.2 Copy of the Title Deed as a proof of Ownership of the land in possession or Lease / Sub-Lease Deed as a proof of leasehold right, over the land holding in possession, as the case may be, together with copies of the certified copy of the records of right, rent receipt in respect of the said land duly certified by Notary Public, are to be submitted along with the application. In case of lease-hold land, the Applicant will also have to submit the notarized copy of the Title Deed of the Owner(s) / Parent lease-deed of the Lessor (s) at the time of submission of the Application. Necessary proof should be furnished confirming that the land can be used for the purpose of storage, distribution, de-coiling, handling etc., of iron and steel materials or an undertaking mentioning the land offered is suitable and all necessary statutory and Regulatory requirements for usage of land for storage, distribution, de-coiling, handling of steel material etc., shall be furnished before commencement. Any liability arising due to failure of the same shall be borne by the Distributor.
- 18.1.3 The Applicant shall produce the originals of all the aforesaid documents and any other relevant Deeds / documents as may be necessary as a proof of clear and valid Title / lease for verification, as would be called for, by the Company. Failure to produce such original documents as and when called for would amount to disqualification.

18.2 MACHINERY:

18.2.1 For de-coiling operations, the successful applicant shall be required to provide new de-coiling machine with bending facilities of not less than 1 number. Additional number of de-coiling machines shall be provided with increase in sales volumes.

18.2.2 Input material size 8mm-12 mm TMT in Coils

18.3 BUNDLING & PACKAGING:

18.3.1 Distributor shall have to bundle finished products in small packets as per Dealer's requirements. The bundling/packaging should be done in a manner which preserves the product quality. RINL will not entertain any quality complaints arising out of damage to materials owing to improper packing/bundling.

18.3.2 Bundles are to be strapped at 5 places for straight length TMT of specific length at equal spacing. The tightness of the strapping should be adequate by using steel strips with metal locks (to be provided by the Distributor) with the help of strapping machine. Bundle weights may vary depending upon market requirements. Suitable reflector tags are to be provided at the apex for bent materials and at both ends for straight length materials. Stickers containing all required details would also have to be fixed on the packet by the Distributor. Relevant information such as name of RINL plant (RINL LOGO) , Product (TMT etc.,) Grade/quality of the material as per Test Certificate, packet weight, dimensions (Length, width, thickness as applicable), number of pieces, grade of coating (as applicable) etc. are to be specified on each packet by the Distributor.

18.4 STORAGE: Provide suitable storage for stocking of RINL Products for servicing the requirement of dealers.

18.5 WEIGHMENT: Weighment facilities should preferably be on the Distributors premises, however nearby public weighbridge would also be acceptable.

18.6 TRANSPORTATION: Arrangements for transportation of materials to Dealers (own or hired).

19. IT Infrastructure:

19.1 The Distributor/Dealer has to purchase the required hardware (Computers (desktops/laptops) and other peripherals). The software/ module developed by IT & ERP Department of RINL will be loaded into that hardware. This loading/integration activity shall be completed at the earliest but not later than one month from the date of Letter of Appointment (LOA) of the Distributor. In case of Dealers, the activity shall also be completed within one month from the date of appointment of the Dealer.

A token amount of Rs.1/- (one rupee) per ton + GST extra will be collected from the Distributor at the end of the month for the invoiced quantity by the Distributor during the month.

20. Marketing and Promotional activities

20.1 Promotional Activities by RINL:

During the initial stages and also as and when required, promotional activities will be organized by RINL on corporate level as per company's corporate policy provisions, covering Hoardings at certain places, advertising through FM radio, Local newspaper advt. etc.,

Promotional Activities by the Distributor:

The Distributor shall be responsible for carrying out various marketing and promotional activities in

their specified jurisdiction for developing the retail sales of RINL. For this purpose, the distributor shall be maintaining sales force for procuring orders and extending services to dealers, educating end users and assisting RINL in brand building efforts. The Distributor's sales force shall maintain close interaction with the RINL Retail Marketing executives in that area for market development and promotion.

20.2 The Distributors shall take up the following activities to promote RINL & RINL products within their jurisdiction covering the identified districts of their dealers as well:

- Hoarding or Bill Board advertisement at prominent locations every 10 Km within the jurisdiction.
- Hoarding or Pillar Board advertisement at the major Bus Stations within the jurisdiction.
- Advertisement on Buses plying on the prime route within the jurisdiction
- Display board for Dealer, products & prices of RINL at the Dealers' premises
- Annual meet of all Dealers at suitable location within their jurisdiction of Distributor
- Annual Masons meet at suitable location within their jurisdiction of Distributor
- Suitable customers awareness programme within their jurisdiction of Distributor,
- Sponsoring/Campaigning at Local events of importance where the public gatherings do happen.

20.3 The Distributor shall inform about such activities to the Branch from time to time. The Branch shall also periodically visit the areas of operation to ascertain the promotional activities being undertaken by the Distributor. The Distributor shall be entitled for a reimbursement of a promotional incentive restricted to a maximum of Rs.200/- per ton of actual lifting in a financial year. Rs.200/- per ton will be given at the end of the month in which RINL Sales Invoice is made, on self-certification basis, subject to raising the bill by the Distributors and submitting the same to the controlling Branch. The Branch will scrutinize the Bills/Documents, ascertain the correctness of the same, before reimbursing the Promotional Incentive of Rs.200/- per ton. The promotional Incentive shall be absolute and lump sum amount without any adjustments towards any statutory levies like GST, etc.

20.4 Standard designs for promotional material shall normally be provided by RINL. However, distributor can design/get designed promotional material on their own which can be used after approval of the same by RINL.

21 Business Volumes and Growth

21.1 Distributor shall be appointed for a monthly volume of 500/1000/1500/2000 MT to be sold to dealers as indicated by RINL in the notification based on market potential assessed by RINL for the identified geographical area.

21.2 Distributors shall be allowed a business development period of six calendar months from the date of Letter of appointment (LOA) for developing dealer network, training of sales team etc. During this period, the distributor shall be exempt from achieving the minimum requirement in terms of volumes, number of dealers etc. However, the distributor will be expected to achieve the business volume after one year of operation.

22. Annual Incentive

Annual Incentive for the Distributor

22.1 Distributors will be eligible for yearly incentive as per the incentive table given below. Incentive shall be payable based on the quantity lifted by the end of the financial year. All the products lifted by the Distributor will be clubbed together for determining the quantity incentive. 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, etc.

22.2 Incentive table for the Distributor (for all monthly volumes)

Sl.no	% of off-take (MT) of Annual Commitment	Incentive (Rs/MT)
1	<=30%	NIL
2	> 30 -60 %	150
3	>60 -75 %	200
4	>75 - 100 %	250
5	>100 %	300

22.3 Annual Incentive for the Dealer:

Dealers will be eligible for yearly incentive as per the incentive table given below. Incentive shall be payable based on the quantity sold by the respective Dealer at the end of the financial year. All the products sold by the Dealer will be clubbed together for determining the quantity incentive. The incentives are to be given in the form of credit note by the Distributor to the Dealer, the same shall be absolute and lump sum amount without any adjustments towards any statutory levy like GST, etc.

Distributor monthly volume of 2000 MT

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=300	NIL
2	>300-600	50
3	>600-1200	75
4	>1200	100

Distributor monthly volume of 1500 MT

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=225	NIL
2	>225-450	50
3	>450-900	75
4	>900	100

Distributor monthly volume of 1000 MT

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=150	NIL

2	>150-300	50
3	>300-600	75
4	>600	100

Distributor monthly volume of 500 MT

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=75	NIL
2	>75-150	50
3	>150-300	75
4	>300	100

22.4 The Dealer incentive will be paid by the distributor as per the table above and shall be reimbursed by RINL to the Distributor on the production of credit notes and other relevant documents.

22.5 Distributors and Dealers may offer volume linked discounts while effecting sales. Such discounts, if any, shall be given from the margin to the Distributor and Dealer and in this regard, no additional amount will be given by RINL.

22.6 The distributor will be expected to suitably increase their physical infrastructure (including land and machinery) and number of dealers to cater to the increased volumes as given below:

Average Monthly volume	Minimum number of dealers required
Initial 500/1000 MT	10
Every subsequent 500 MT	05

22.7 The above are minimum required numbers of Dealers and distributors are expected to appoint more numbers of Dealers based on the demand potential, geographical area for deeper market penetration in the identified territory.

The following incentives** are proposed to be given in the first two years of operation, on monthly basis, where the Distributor appoints the minimum number of Dealers to be appointed as per the Policy and percentage of sales shall be as per the sales made covering the Jurisdiction/ District/Dealers. These incentives will be applicable only when the IT Infrastructure loading/integration activity as envisaged in clause 19 is completed at both Distributor and Dealer levels:

- I. If a Distributor sells by covering 100 % of their Jurisdiction/ Districts, they will be eligible for an incentive of Rs 50/- PMT, if it is 75% to < 100 % , eligible for an incentive of Rs 25/- PMT and Nil in case of < 75 %.
- II. If Distributor Sells to 100% of the Dealers in a month , they will be eligible for an incentive of Rs.50/- PMT and if it is 75% to < 100 % then eligible for an incentive of Rs.25/-PMT and Nil in case of < 75 %.

**The proposed incentives will be given to the existing 2-Tier Distributors also with the given conditions therein. They will be applied from FY 2023-24 onwards.

22.8 In case the product mix under distributorship is changed after initial agreement, committed quantity

may be modified based on mutual agreement and approval of the same by RINL.

23.0 Territorial Jurisdiction

- 23.1 Distributor shall be appointed in the specified district with the jurisdiction of the neighboring districts as mentioned in the notification.
- 23.2 The appointed Distributor will not be entitled to sell any material to the dealers or appoint dealers beyond their jurisdiction.
- 23.3 The Distributor may service local Project Orders and the quoted price for such orders shall not be more than RINL MRP announced for the location under consideration.
- 23.4 The Distributor shall be required to service the demand of all the dealers within the identified territorial jurisdiction.
- 23.5 RINL may change the territorial jurisdiction of the distributor during the course of the agreement based on the performance/ marketing prospects / mutual agreement etc. Committed quantity in such case may or may not change as decided by RINL.

24.0 Modalities of Purchase of Materials by Distributors:

- 24.1 The Distributor shall purchase material from RINL. Distributor shall make 100% Payment in advance. Secured Credit facility can also be extended, as per the existing Policy and practice at RINL, in case the Distributor submits a valid Bank Guarantee.
- 24.2 RINL shall dispatch material to the Distributor's yard on 'FOR' basis. The weight recorded on the Tax Invoice as per RINL weigh bridge or the Conversion Agents' weigh bridge or any other weigh bridge arranged by RINL shall be final unless otherwise specified. No dispute regarding the same shall be entertained. Other terms and conditions shall be as per RINL standard terms & conditions of Quotation and Sales Order.

In case material is sent by Rail, additional charges of Rs.300/- per MT will be paid to the Distributor for unloading at railway siding, loading into vehicles, transportation upto Distributor's go-down.

- 24.3 All statutory levies shall be charged at actuals as per prevailing laws.

25.0 Selling Price of Distributor to the Dealer

- 25.1 The selling price of Distributor to the Dealer shall be fixed by RINL such that the distributor earns a guaranteed margin of Rs. 1,000/- per MT, after considering expenditure w.r.t. de-coiling, straightening, cutting and bundling Bending/re-bundling/repackaging, strapping, tagging, handling/loading, weightment etc., which is fixed at Rs. 700/- per MT and transportation charges to dealers location at actuals.
- 25.2 The Distributor shall meet all their related expenses like establishment, Marketing, Manpower etc from the above margin amount of Rs.1000/- pmt.

26. Escalation

- 26.1 No escalation of rates shall be payable to the Distributor during the entire period of agreement, including the extension period, if any.

27. Product Quality Feedback & Complaint Settlement

- 27.1 Distributors may be required to survey and collect product quality & service feedback from Dealers and customers at periodic intervals or as advised by RINL and provide feedback on the same to RINL.
- 27.2 The Quality complaints, if any, shall be settled as per the Quality Complaint Procedure in vogue at RINL.
- 27.3 For any of the products of RINL, quality complaint will be entertained by RINL at any level in the distribution chain i.e Distributor, Dealer or end customers.

28. Liabilities of the Distributor:

- 28.1 Distributor shall not indulge into any act of misconduct. Company shall reserve the right to suspend and/or ban business dealings with the Distributor in the event of any misconduct on the part of Distributor or his Dealer. The decisions taken by the Company in this regard shall be final and binding on the Distributor.
- 28.2 The Distributor shall not assign any part of this agreement to any other Agency without prior clearance and permission from Company in writing to this effect.
- 28.3 In case of inability on the part of the Distributor to perform to the full satisfaction of Company under the agreement, RINL shall have the right to terminate the agreement on serving due notice and the security deposit would be forfeited by the company. RINL may also appoint another Distributor for the same job at the cost and risk of Distributor.
- 28.4 Distributor shall comply with all statutory provisions.
- 28.5 On termination of the agreement for any reason whatsoever or completion of agreement, the Distributor will have to handover all company's properties and documents and obtain a clearance certificate from RINL before the Security Deposit can be claimed. The refund of Security Deposit, would be subject to his fulfilling the conditions as indicated above.
- 28.6 Any sum of money due and payable to the Distributor including Security Deposit under the agreement may be adjusted and appropriated by the company and set off against any claims of the company for the payment of any sum of money arising out of this agreement or any other agreement.

29. Termination Clause (Distributors)

- 29.1 The Distributor agreement may be terminated by RINL at any point, by serving a written notice of 30 days, on account of any of the following:
- a) Continual underperformance as against targets agreed,
 - b) Adverse customer feedback on service, delivery , quality check, weightment etc.,
 - c) Repeated complaints of sales of material outside their assigned jurisdiction,
 - d) Any misuse of the RINL Brand/Brands,
 - e) Financial irregularity or moral turpitude,
 - f) Any action deemed detrimental to business interest of RINL,
 - g) Non-compliance with terms and conditions of the notification/agreement
- 29.2 In case of termination of the agreement for any of the above reasons, the security deposit shall be forfeited and RINL may take legal recourse, as deemed fit
- 29.3 RINL also reserves the right to short close the distributor agreement at any point of time without

assigning any reason by serving a notice of 30 days.

30. Broad Roles and responsibilities of the Dealers

30.1 Products covered:

30.1.1 The products covered under the scheme are:

- a) TMT Bars and Structural (all products put together , 10MT /month, starting from the second calendar month from the date of appointment),
- b) RINL may also include other products (Wire Rod Coils, Rounds, etc.,) which are consumed in the retail and small construction segment based on market assessment and availability from time to time.

31.0 Purchase Price of Dealer and Selling Price for Retailer/MRP Sales:

31.1 The Dealer shall purchase material from RINL Distributor at the Price fixed by RINL. The prices are including transportation charges from Distributor to Dealer. The Dealer shall arrange unloading of material at their premises at their cost.

31.2 The selling Price for Dealers to customers, i.e., MRP, shall be fixed by RINL such that the Dealer earns a guaranteed margin of Rs.1500/- per MT over the purchase price from the Distributor.

31.3 The Dealer shall meet all their related expenses like establishment, Marketing, Manpower etc. , including unloading from the vehicles, loading into customer's vehicles from the above margin amount of Rs.1500/- per MT.

32.0 Roles and Responsibilities of Dealer:

- Dealers shall be responsible for meeting the demand of retail customers in the vicinity/jurisdiction of the dealer outlet. A dealer shall deliver the material to the retail customer free of cost.
- Provide delivery and other services to customers, as required.
- Maintain regular stocks of RINL materials to ensure meeting demand of such customers.
- Provide necessary IT infrastructure as required to maintain online connectivity with Distributor/RINL, as required.
- Assist, facilitate and carry out local promotion and brand building activities, along with the Distributor.
- Should follow the guidelines and advice of RINL from time to time with regard to Branding, promotion, sales efforts etc.
- Providing RINL/Distributor with inputs on activities of competitors, market intelligence etc from time to time.
- Help further the business interest of RINL in the identified areas.
- Will prominently display the certificate of dealership issued by RINL with "valid from and to date" and MRP display board outside/within their premises/
- The Dealer will not deal with institutional customer/Industrial units/ Govt. Deptts. / PSUs and Projects and not participate in any kind of tenders on behalf of RINL without the prior approval of the concerned Branch of RINL, for the products covered under the Distributor-Dealer Scheme. The Dealer will be

required to service such requirements as would be communicated to them by RINL/distributor.

32.1 The dealers will discharge the above responsibilities under the guidance of the distributor and RINL.

33.0 Infrastructure and facilities required for Dealer

33.1 Dealer shall be in possession of a shop/store with suitable go-down space for handling and storage of steel material.

33.3 Suitable facilities for handling, delivery and weighment of Steel Materials.

33.3 Should preferably have prior experience in dealing with Steel and/or cement and/or construction material.

33.4 Should preferably have an annual turnover of 100 lakhs and above.

33.5 Dealer should have all statutory registrations as required for the purpose.

35. Territorial Jurisdiction of Dealer

35.1 Distributor shall fix a territorial jurisdiction at the time of appointment in consultation with RINL, within which the Dealer shall conclude their sale. The Dealer is to cater to the small/tiny demands of user/consumers within the territorial jurisdiction assigned to the dealer by the Distributor under whose jurisdiction the dealer operates.

36. Tenure of Dealer

36.1 The RINL Dealer shall be appointed by the distributor for a period of two years with provision of yearly extension in consultation with RINL. However, the tenure of the dealers will not exceed the tenure of the distributor.

37. Settlement of Quality Complaint

37.1 It shall be the Dealer's responsibility to provide all the post sales service to his customers including matters related to settlement of the quality complaints in association with the Distributor.

37.2 RINL will attend to the quality complaints only at Dealers premises. However, in exceptional circumstances, RINL, at its discretion, may also attend to quality complaints at the premises of Dealer's customers.

37.3 The Quality complaints, if any, shall be settled as per the Quality Complaint Procedure in vogue at RINL.

38. Servicing of requirement of dealers by distributors

38.1 The steel requirement of dealers shall be delivered to the identified dealer go-down by the distributor at distributor's costs.

38.2 Payments and all other commercial formalities with regards to the material supplied by the distributors to dealers shall be handled by the distributor only.

38.3 Extension of credit against supplies to dealers, if any, shall be by the distributor at its own risks and costs.

39. Procedure for appointment of Dealers:

- 39.1 Dealers shall be appointed by the distributor in consultation with RINL for a specific territory. RINL also reserves the right to directly appoint dealers or attach any existing Retailer/Dealer of RINL for servicing through the distributor in the territory identified for a particular distributor. The appointment of Dealers shall be made with the approval of concerned Regional Manager.
- 39.2 Inspection by RINL: Based on the recommendation of the distributor, RINL will carry out an inspection of the dealer premises to assess its suitability based on the available infrastructure, suitability of the location etc. Decision of RINL shall be final with regard to appointment of the dealer.

40. Termination of Dealers:

- 40.1 RINL can direct Distributor with regard to premature termination of the arrangement with Dealer with a notice period of 30 days after taking into account the following:
- I. Evaluated performance,
 - II. Adverse customer feedback on service, delivery , quality check, weightment etc.,
 - III. Repeated complaints regarding sales of material outside their assigned jurisdiction,
 - IV. Non-compliance of MRP,
 - V. Unsatisfactory performance in any other respect and acts detrimental to the interest of RINL.
- 40.2 RINL representative may inspect availability of materials at the premises of the Dealer from time to time.

41. General

- 41.1 By merely inviting the applicant to submit their application, there is absolutely no commitment implied or otherwise, at this stage on the part of the Company to the award of actual Appointment and no correspondence in this regard will be entertained. Nor shall RINL be liable, in any manner whatsoever, for costs and expenses etc. incurred in responding to this Invitation.
- 41.2 By submitting an application, the applicant shall be deemed to have fully familiarized himself with all requisite details including the quantity and type of materials being handled / expected to be handled, as well as information contained in the enclosed Instructions to Applicants including the Terms and Conditions of the Distributor Agreement and have fully satisfied himself/ itself of his/ its capabilities to undertake and perform the jobs to the satisfaction of the company.

42. Cancellation Clause:

- 42.1 RINL may at its sole discretion, dissolve the appointment of the Distributor giving a notice of 30 days, in the event of adverse and repeated customer feedback and any other aspect considered detrimental to the interest of RINL.

43. Fore Closure

- 43.1 In case, the Distributor fails to perform as per the conditions stipulated in the agreement to be entered into, the agreement shall be foreclosed. The decision of the RINL regarding this will be final and binding. The amount available after adjusting the damages and other dues, if any, shall be returned to the Distributor.
- 43.2 In case RINL wishes to foreclose the agreement in the interest of the company at any point of time, during the agreement period, a notice of 30 days shall be given by the RINL to the Distributor and after the notice period, the agreement shall be foreclosed. In that case, the amount available after adjusting the damages

and all other dues, if any, shall be returned to the Distributor. During the notice period, the Distributor shall continue to perform all their obligations.

44. Other Information:

44.1 The applicant/ Distributors, whose application has been rejected/ appointment has been cancelled as per above, shall not be allowed to participate in any of the selection process of RINL for Distributors/Dealers for a period of two years from the date of cancellation of appointment. Similarly, the Dealers whose appointment has been cancelled shall not be allowed to become RINL Dealers/Distributors for a period of two years from the date of cancellation of appointment.

44.2 The Sr. BM shall periodically review the performance of the Distributors as per the Policy Guidelines. The Regional Managers and Head Quarters shall also review the performance of the Distributors from time to time. The reports available in ERP will be used in assessing the performance.

45.0 SETTLEMENT OF DISPUTES

45.1 All disputes and differences, whatsoever, arising between the parties out of or relating to or in connection with the construction, meaning, scope, operation or effect of this contract or breach thereof shall be settled between the Employer and the Contractor amicably. In the event of any dispute, the parties shall endeavor to resolve such dispute by discussion in good faith in the first instance within 30 (thirty) days of notice of such dispute. The mutual discussion shall be without prejudice to the rights of the parties to proceed to arbitration. If however, the parties are not able to resolve their disputes and differences amicably as aforesaid, such disputes and differences whatsoever arising between the parties out of or relating to or in connection with the construction, meaning, operation or effect of this contract or the breach thereof shall be settled by Conciliation and Arbitration. In cases where Conciliation fails, the parties shall resolve their disputes/differences through Arbitration.

45.2 The said Conciliation/Arbitration proceedings shall be governed by the provisions of Arbitration and Conciliation Act, 1996 (hereinafter referred to as the 'Act') of India and the statutory modifications/ amendments thereto.

45.3 The appointment/nomination of Conciliator/Arbitrator(s) for Conciliation/ Arbitration shall be as specified below:

Conciliation:

- a) The person to be appointed as Conciliator shall be an Officer not below the grade of General Manager either in service of RINL, VSP or a retired officer of similar grade of RINL, VSP or other P.S.U.s and shall be appointed by RINL, VSP.
- b) The Fee payable to Conciliator (Conciliator other than serving officer of RINL, VSP) shall be a fixed amount of Rs.50, 000/-. The other expenses such travelling, boarding & lodging etc., shall be reimbursed as per actual.
- c) The Fee and other expenses for holding the Conciliation proceedings shall be shared equally by both the parties.

Arbitration:

- a) In case where the sum of the claim(s) made is equal to or less than Rs.5 Crores, the disputes/differences shall be referred to a Sole Arbitrator to be appointed by RINL, VSP.
- b) In case where the sum of the claim(s) made is more than Rs.5 Crores, the disputes/differences shall be referred to a three member Arbitral Tribunal, consisting of nominee arbitrators of each party and the Third/Presiding arbitrator, who should be a former judge of either any High Court or Supreme Court of India, shall be appointed by the said two arbitrators nominated by the respective parties.
- c) The Fee payable to the Arbitrator(s) shall be in line with the Fourth Schedule (inserted by Amendment Act No.3 of 2016) and the Rules framed if any under the Arbitration and Conciliation Act, 1996 in force

at the time of invocation, with a maximum ceiling of Rs.10, 00,000/- to each Arbitrator. The costs and incidental expenses etc. for conducting the Arbitration proceedings and the Fee payable to the Arbitrators shall be born equally by both parties.

- 45.4 The seat and venue of Conciliation/Arbitration shall be at Visakhapatnam, Andhra Pradesh. The language of Conciliation/ Arbitration shall be English.
- 45.5 The award made in pursuance of above shall be a reasoned award and shall be final and binding on both the parties.
- 45.6 Both parties agree that no interest shall be awarded by the arbitrator/arbitral tribunal in any arbitration proceedings pertaining to this contract.
- 45.7 Notwithstanding the existence of any dispute and differences or conciliation or arbitration in terms hereof or otherwise, work under the contract shall continue during the arbitration and each party shall continue and be bound to continue to perform their respective obligations according to the contract, and, the parties shall remain liable and bound in all respects under the Contract. Provided further that, no reference to Arbitration, whether the final bill for the contractual work has been passed or not, shall be made later than 6 months from the date of satisfactory completion of the work under the contract.
- 45.8 The courts at Visakhapatnam, India with the exclusion of all other courts, shall alone have jurisdiction over all matters relating to this contract and the disputes and differences arising from the same. Governing law shall be Laws of India.

Evaluation Sheet for Appointment of Distributor by the Branch Level Committee				
Controlling Branch:				
Date of Inspection/Evaluation:		Application No. of		
		Remarks	Maximum Points	Points Allotted
1	Name of the Applicant/Firm			
2	Retail Capability		20	
3	Infrastructure Capability		15	
4	Financial Capabilities		15	
	Total		50	

Observation of the Committee on the above

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Names of the Committee Members & Designations

Signatures

- 1.
- 2.
- 3.

Note: Please refer guidelines for evaluation of application before filling up.

Evaluation Sheet for Appointment of Distributor by the Regional Committee				
Controlling Branch:				
Date of Inspection/Evaluation:		Application No. of		
		Remarks	Maximum Points	Points Allotted
1	Name of the Applicant/Firm			
2	Retail Capability		20	
3	Infrastructure Capability		15	
4	Financial Capabilities		15	
5	Assessment of the applicant by the Regional Committee		10	
	Total		60	

Observation of the Committee on the above

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Names of the Committee Members & Designations

Signatures

- 1.
- 2.
- 3.

Note: Please refer guidelines for evaluation of application before filling up.