

RINL RURAL DEALERSHIP SCHEME (RINL-RDS) FY 2023-24

Objective:

- 1 a) To promote RINL steel products in vast rural market;
- b) To promote brand image in the interiors of country;
- c) To promote the image of the company as a responsible corporate citizen that makes its products available in the rural areas for development; and
- d) To promote inclusive growth.

Scope:

2. The Scheme is known as RINL-Rural Dealership Scheme (RINL-RDS) and is open to everyone except existing Retailers, Consignment Agents, Consignment Sales Agents, Handling contractors and District Level Dealers of RINL.

Preference to weaker section of society

3. SC/ST/OBCs/Women /Physically Challenged and minorities will be encouraged and preference would be given in appointment of Rural Dealers.

Location:

4. Rural Dealers can be registered at the Mandal/ Block/Talukas/Panchayat level locations & Municipal town areas of the Districts, other than District Head Quarters. In case of District Headquarters, where the population is less than 10 lakhs (with a variance of +/- 5%) Rural Dealers can also be appointed.

Products:

5. TMT Rebars of various sizes, **Wire rods**, Structural, Rounds & Billets, excluding Blooms & Pig Iron shall normally be covered under the scheme. **The quantity of WRCs sold in any month shall be small and the Branches shall assess the requirement of RDS judiciously.** Any other product can also be included at any point of time during the tenure of the Rural dealership.

Price & Commercial Terms

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- a. RINL material will be delivered to the premises (excluding unloading) of the RINL Rural Dealers under the RINL Rural Dealership Scheme where freight shall be charged extra to the Rural Dealer, with a freight subsidy as mentioned below. Even in case RINL is not able to provide transportation up to the destination of RDS location, the following freight subsidy is applicable:

Sl. No	Location of the RDS from RINL Yard/ Delivery Point in KMs (distance between PIN code of RINL Yard/ Delivery Point to PIN Code of RDS)	Freight Subsidy Rs. per ton
1	Up to 100 KMs	100
2	Beyond 100 KMs	200

- b. **RINL Rural Dealers may also be extended Credit as per the Credit Policy in vogue** on the quantities lifted during the months. Consequently, Rural Dealers would be entitled to cash discount as applicable from time to time, on the SO price when sale to Rural Dealer is on cash-and-carry basis.
- c. RINL shall be fixing Maximum Recommended Retail Price (MRRP) exclusive of levies, duties, GST, Octroi which are to be added extra as applicable for the products to be sold by RINL Rural Dealer.
- d. RINL Rural Dealers shall display the MRRP prominently at their premises. RINL Rural Dealers shall also be obliged to charge their customers at prices within MRRP. MRRP shall be arrived by adding Rs1200/- PMT on the SO price and cost of transportation (net of subsidy of Rs200PMT) ex- RINL stockyard from where the dealer is delivered the products.
- e. Rural Dealers are eligible for MQI/QLI or any other incentive schemes announced by RINL from time to time. Rural Dealers are allowed to lift material more than 200ton per month, depending on material availability and are eligible for MQI/QLI or any other incentive schemes announced by RINL from time to time for the total quantity lifted up to a maximum ceiling of 500 ton per month. However, the freight subsidy, yearly incentive and Promotional Incentives shall be restricted to a maximum 200 ton per month only.

Agreed Offtake/Commitment

- 7. The Rural Dealers will be allowed to lift any quantity up to maximum limit of 200 ton per month (all the items put together).

Further, in case any Rural Dealer is interested to lift more than 200 ton in a month, they may be allowed to lift further material, depending on availability at the branch, with the approval of RINL and are eligible for MQI/QLI or any other incentive schemes announced by RINL from time to time for the total quantity lifted including the additional quantities also, up to a maximum ceiling of 500 ton per month. However, the freight subsidy, yearly incentive and Promotional Incentives shall be restricted to a maximum 200 ton per month only.

Security Deposit

- 8.0 RINL Rural Dealers will not be required to submit any security deposit.

Incentive

- 9.0 RINL-Rural Dealers 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 Rural dealer 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.

Incentive table

Sl. No	Yearly Quantity off take (MT)	Incentive (Rs/MT)
1	>150-300	50
2	>300-600	100
3	>600-1200	150
4	>1200 up to 2400	200

Tenure

- 10.0** RINL Rural Dealers shall be appointed for a period of two years with a provision to review after one year. The performance will be reviewed on the basis of lifting of material on annual basis, which should not be less than 120 ton on yearly basis.

In case, annual lifting is less than 120 ton, RMs, on the recommendation of Sr. BMs, can approve extension of dealership for one more year, up to the original two years tenure.

The above lifting criteria is not applicable for SC/ST/OBCs/ Women/Physically Challenged and minorities.

Quality complaints

- 11.0** It shall be the Rural Dealers' responsibility to provide all the post sales service with regard to his customers including the quality complaints settlement.

All the quality complaints will be settled as the quality complaint procedure of RINL in vogue

Jurisdiction

- 12.0** The Rural dealer is to cater to the small/tiny demands of user/ consumers within the territorial jurisdiction assigned to the dealers by the Branch under whose jurisdiction the *dealers* operate. RINL shall also have the right to appoint more than one Rural dealer in a Talukas/Block/Panchayat, Municipal town areas of the Districts & District Head Quarters. RINL shall also retain the right to sell directly within their jurisdiction.

Pricing & Delivery

- 13.0 The Rural Dealers may purchase materials from the nominated Branch office. The weighment recorded at the stockyard shall be final. In case material is delivered to Rural Dealers premises the tolerance to the weighment difference between RINL stockyard and the Rural Dealer premises shall be equal to the weighment tolerance allowed as per the transport contract. For the shortage beyond permissible limit, the Rural Dealer shall be refunded on recovery from the transporter.

The Rural dealer should affix boards indicating the MRRP as applicable from time to time and as indicated by RINL.

The payment on advance, shall be paid in the form of DD/Cheque on realization/PO/BC/RTGS/NEFT payable at the location of the controlling branch.

The terms & conditions of sale shall be as per RINL Terms & Conditions of Quotation & Sales Order, unless otherwise agreed. For detailed terms and conditions of Quotation and Sales Order visit our website www.vizagsteel.com / Marketing/Terms & Conditions.

Sales Promotion

- 14.0 RINL will provide free of cost Display Board, MRRP Display Board, Dealership Certificate and Product literature to the Rural Dealers for Sales Promotion.

The Rural Dealer may also undertake sales promotion of RINL products, which are sold through them, subject to the promotional material being cleared in advance by RINL.

Promotional Incentive

- 15.0 Rural Dealers who take up promotional steps like Hoardings, Wall paintings, Newspaper/Cable TV Advertisement directly shall be entitled for a reimbursement of a promotional incentive restricted to a maximum of Rs.150/- per ton of actual lifting in a financial year, subject to a maximum lifting of 200 ton per month. The payment of Rs.150/- per ton will be given at the end of the month in which RINL Sales Invoice is made on self-certification basis, subject to the raising the bill by the Rural Dealer 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.150/- per ton. The promotional Incentive shall be absolute and lump sum amount without any adjustments towards any statutory levies like GST, etc

The Rural Dealer 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 Rural Dealer.

In addition to the above, in case a Rural Dealer lifts more than 1200 ton in a year, a Mason Meet shall be organized by the Branches at the location of the Rural Dealer with the help of the Rural Dealer. The Mason Meet will be attended & witnessed by Sr. BM & RM (the speakers to be arranged by Sr.BM/RM).

Appointment/Selection

- 16.0 Applications will be invited from interested parties located in Mandal / Blocks /Talukas & Panchayat levels of District & Municipal town areas of the Districts, District Head Quarters, where the population is less than 10 lakhs (with a variance of +/- 5%) covered under open advertisements in local newspaper and RINL website from time to time. Interested parties can apply against such advertisement. Application forms will be available at Branch Sales Office of RINL. It can also be downloaded from the website. The appointment shall normally be completed within one and half month of applying for the same.

Interested parties can also apply online through RINL website. A link/provision will be made available in vizagsteel.com, giving a facility for any prospective Rural Dealer to give their willingness /Expression of Interest to become a Rural Dealer of RINL. The concerned section at Head Quarters looking after RDS shall access such information from the website from time to time and send them across to the concerned Branch/Region for taking necessary action as deemed fit as per the RDS Policy Guidelines.

- 17.0 Registration will be a continuous process and there is no last date for applying for registration.

- 18.0 The selection of an applicant for registration of Dealership is to be done by a two member Committee at the Branch Level approved by Sr.BM. However, the number of dealers to be registered in a district shall be approved as per following delegations:

- (i) Up to 5 nos. by Sr.BM
- (ii) Above 5 nos. by RM

19.0 The two member team may visit Mandal/ Block/Talukas and Panchayat level locations of Districts & Municipal town areas of the Districts, District Head Quarters, where the population is less than 10 lakhs (with a variance of +/- 5%) and approach existing Steel/ Cement/Hardware Traders/or others for registering under the scheme.

An applicant should own any one of the following for registration of Dealership:

- (i) Hardware Shop /Cement Shop/Fertilizer Shop
- (ii) Lease agreement/ Agreement with Hardware /Cement /Fertilizer Shop for an outlet for sales.

* In case the Dealer is appointed without having Hardware/Cement Shop/Fertilizer Shop, he/she should produce a lease agreement/agreement with Hardware Shop / Cement Shop/Fertilizer Shop or should possess his/her own Hardware shop / Cement shop /Fertilizer Shop within 3 months from the date of appointment of Dealership. In case he/she fails to submit ownership/lease agreement/agreement within 3 months, his/her Dealership shall be cancelled. However, they can apply afresh with all the requisite documents whenever they are ready.

20.0 Interested persons/firms can also directly approach the concerned Sr BM / BM for registration. However, Sr.BM will refer the application to the Committee as per Clause 18.0

21.0 The applicant to RINL-RDS is required to submit an affidavit that he/she is financially sound to take up the Rural Dealership.

22.0 The Sr. Branch Manager / Branch Manager shall issue a Certificate of Registration* to the applicant selected as RINL-Rural Dealer. This certificate can be displayed by the Rural Dealer on his/her premises.

* Certificate of Registration to be given only on the pre -printed stationery issued by Marketing HQ.

23.0 Advertisement of steel at the Sales and storage premises of the Rural Dealer should be of RINL only. Committee shall select the Dealers based on the following criterion:

Selection Criterion:

Item	Weightage		Max: Points
Existing Shop	Steel Shop	3	3
	Cement Shop	2	
	Fertilizer Shop	1	
Exclusive Premises/ Shop Proposed	Own	3	3
	Lease agreement/agreement	2	

Turnover in Lakhs in the financial year preceding the date of application	100	4	4
	75	3	
	50	2	
	25	1	
		Total	10

Application format will be available on RINL/VSP web site and interested applicants may forward their filled in applications to Sr.BM of the branch concerned. The Committee constituted by Sr. BM will scrutinize the applications and evaluated on a 10 point score (max). Selection of the Dealer, category-wise is as follows:

- (i) General Category: 3 points
- (ii) OBC/SC/ST/Women/Physically Challenged Categories and minorities: 2 points

Declaration

24.0 The following undertaking is to be submitted by the RINL-Rural Dealer (either in English or in Vernacular) at the time of registration:
As per Annexure-1

General

25.0 a) The Rural Dealers appointed by RINL will not deal with Institutional Customers/Industrial Units/ Govt. Depts./PSUs and Project and not participate in any kind of tender on behalf of RINL.

In case a Rural Dealer desires to supply to local small development projects, housing projects etc., in interior areas, the provision of "ship to party" directly to end user/customer will be given with the clearance of RM.

b) RINL shall retain the right to review and revise the incentive(s) commercial benefits other terms, etc., of the scheme from time to time depending upon the requirement of RINL.

(The following two clauses will be deleted from the 'Undertaking' (Annexure-1) to be submitted by the existing Rural Dealers on renewal of their Rural Dealership with RINL or by a new Rural Dealer on fresh appointment.

- I. that I/ We will not operate Dealership in the same name for any other steel producer/ manufacturer from the premises / address registered with RINL.
- II. that I / We will deal exclusively with RINL products in the said premises.)

Annexure-1

- I. that I/ We will not operate Dealership in the same name for any other steel producer/ manufacturer from the premises / address registered with RINL.
- II. that I / We will deal exclusively with RINL products in the said premises.
- III. that I / We will sell the products under this dealership within the Maximum recommended Retail Prices fixed by RINL.
- IV. that I / We will sell the products under this dealership only in rural areas within the Block/Taluka/ Panchayat limits assigned.
- V. that I / We clearly understand that RINL has full rights to cancel the registration in case any of my/ our action is found detrimental or prejudicial to the interests of RINL. In case it is found at any point of time that the Dealer has not complied with any of the undertakings given under Clause no.21 or in case of violation/ non-compliance of the requirements under any of the said undertakings, the decision of RINL is final and binding on the Dealer.
- VI. that in case of any dispute, I/ We will resolve it with RINL through mutual discussions.
- VII. that I / We shall comply with all statutory requirements and I/ We indemnify RINL against any liability /expenses /losses etc arising on this account or any other account.
- VIII. that I/we shall set up a Hardware shop /Cement shop / Fertilizer Shop or enter into an agreement/lease agreement with the Hardware shop /Cement shop / Fertilizer shop, ensuring compliance with all the requirements as indicated in the undertaking within 3(three) months from the date of appointment of Dealership and submit all the documentary proof to the complete satisfaction of RINL. In case I/We fail to do so, RINL shall have the right to cancel the Dealership.
