

Ref No:Mktg/RS/21-22/EI-01/

Annexure-I
Date: 09/12/2021

Notice for Expression of Interest for Appointment as Distributor under 2-tier Sale & Distribution system of RINL

Expression of Interest is invited from the interested, eligible and potential applicant for 2 Tier Distributorship of RINL Products as per the format attached.

1. Location, Quantity & Jurisdiction may be proposed by the applicants for consideration of RINL Management.
2. The Distributors are appointed to service the requirements from their Dealers within their jurisdiction.
3. The products covered are TMT Rebar and Structural. 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.
4. The first lot of Expression of interest will be processed by 31.12.2021 and thereafter on 1st week of the month for the applications received during succeeding month. RINL may also go for open notice for appointment of Distributor for the location proposed by the applicant, if required, without assigning any reason.
5. Application format, instructions to applicant and terms and conditions can be downloaded from RINL website (www.vizagsteel.com).
6. Filled in application forms should be submitted to the nearest Branch or Regional Offices or may be forwarded to RINL HQ.
7. Interested parties may contact the Sr.Branch Manager concerned for further details or visit our web site as mentioned above.
8. For further details on operation procedures, responsibilities of Dealers and Distributors, product promotion activities, selection criteria etc. our Policy provisions may be referred.
9. Decision of RINL regarding finalisation of Distributorship will be final and binding on all applicants.

DGM(Mktg)
Retail Sales HQ Marketing

Annexure-II

Guidelines to the Applicant

1. The applicant shall carefully go through the application format and Terms & Conditions and fully understand the terms and conditions governing their expression of interest for RINL's Distributor.
2. The applications are evaluated on attributes viz., financial capabilities as certified by the Banker, Chartered Accountant , Infrastructural capabilities viz., warehousing facilities, de-coiling, bending facilities, proximity to the district headquarters etc., Retail capabilities viz., presence in local markets, customer reach, etc., experience in the field of steel marketing etc. and any other criteria, which the company considers necessary to take into account while evaluation of the application.
3. The applicant shall acquaint themselves about the operations to be done by meeting the Sr. Branch Manager or his designated officer of the designated Branch. The applicant can also visit the stockyard and acquaint themselves with the location and working of RINL Plant/Stockyard from where materials will normally be delivered. The Applicant by the very act of applying will be deemed to have fully understood the terms and conditions governing their appointment and also familiarized themselves with the location of Branch and stockyard at the time of submission of their application.
4. The details shall be filled in as per the format and the documentary proof is to be attached wherever applicable. The claim made in the application and the documents submitted along with the application shall only be considered. No additional documents or claims shall be entertained later.
5. The application form shall be deposited in the box provided for in the designated Branch within the indicated date & time. No application shall be accepted beyond the specified date and time.
6. Incomplete applications, applications not accompanied by the required documents, EMD and conditional applications are summarily rejected. RINL may, at its convenience, finalize the appointment registration within a period of 90 days.
7. RINL will not be responsible for any delay, loss or non-receipt of application by post etc. Applications received by E-mail, Telegram/Telex etc., will not be considered.
8. Assessment made by RINL shall be final & binding. RINL reserves the right to accept or reject any and or all applications without assigning any reason whatsoever.
9. No conditions, changes etc., are permitted.
10. Applicants may furnish any other relevant information on a separate sheet.

Instructions to the Applicant

1.0 Eligibility of the Applicants:

- 1.1 The applicants should have good market reputation and be of sound financial standing. They should submit a certificate (Proforma of Banker's Certificate is enclosed at Annexure – VI) to this effect from their bankers for the preceding 3 years which should contain the following particulars:
1. Nature of account held & its account no. in the Bank
 2. Various Credit limits sanctioned and utilized individually
 3. Bank's Rating of the Applicant
 4. Overdraft Limit as on date: Rs.....Cr.
 5. BG Limits and LC Limits and their utilization separately,
 6. Performance of Accounts/Customer
- 1.2 Applicants shall also submit their audited balance-sheet for the previous 3 years, along with the net worth.
- 1.3 The prospective distributor shall have to submit a Chartered Accountant's certificate to this effect as per format at Annexure -VII.
- 1.4 The applicants must have prior experience of minimum 3 years in dealing (i.e., storage & distribution), with Steel and/or cement and/or construction material.
- 1.5 The applicant has to submit their existing dealer base in every district along with the previous 3 years sales in each of the district, with relevant documentary proof.
- 1.6 To establish the turnover, the applicants should furnish the following along with the application:
- a) Audited financial statement (Balance sheet and P&L statement) for the previous 3 years
 - b) Copy of IT return duly acknowledged for previous 3 years
- 1.7 The successful applicant should have all statutory registrations as required for the purpose or shall submit an undertaking that they will be registered with the appropriate statutory authorities within a period of 30 days from the date of Agreement.
- 1.8 **The applicants shall generally possess a single piece of land varying in the sizes of 0.5 acre to 1.0 acre and the preferred requirement is 1.0 acre of land for handling 1500/2000 MT per month of committed quantity and at least 0.5 acre of land for 500/1000 MT per month of committed quantity.** The land shall be 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.

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VISAKHAPATAM STEEL PLANT
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2.0 EMD/Security Deposit:

- 2.1 The 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	5.90
1500	3.54
1000	2.36
500	1.18

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).

- 2.2** For the successful applicant, the EMD submitted along with the application shall be converted into SD. 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. The SD-BG shall be submitted as per the format given at Annexure- VIII 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. In case of forfeiture of SD, GST shall be applicable on Security Deposit and shall be recovered from the Distributor. GST shall be charged by grossing the Security Deposit amount with the applicable GST rate. RINL shall issue tax invoice in favor of the Distributor for such recovery/forfeiture.
- 2.3** The sales process shall commence after the Distributor submits Security Deposit, as mentioned above.
- 2.4** In case of payment through RTGS/NEFT/EFT, the copies of Transaction Reference number / UTR number as a proof of payment to be submitted. Reference No. to be mentioned in remark while making e-payment by the applicant. No request for adjustment of earlier dues in place of EMD shall be entertained. The Bank details of RINL Branch Office required for RTGS/NEFT/EFT payment can be obtained from the Branch;
- 2.5** The Earnest Money Deposit (EMD) shall be forfeited,
- If the applicant withdraws their application during the validity period and / or modifies any of the Terms & Conditions contained in the Instructions to the Applicant during the validity period of the said application evaluation process, or
 - In case the successful applicant fails to –
 - Provide all infrastructural facilities as required under the notification,
 - Comply with any or all the requirements / formalities as specified in the application documents
 - In case applicant is found indulging in forgery / fudging / tampering of any of the document submitted including application/documents downloaded from RINL website

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and / or furnishing false declaration against this notification.

2.6 The EMD, provided by unsuccessful applicants, shall be refunded within 30 days of issue of Letter of Appointment (LOA) to the successful applicant. The applicants are required to furnish their Bank Details for RINL to make necessary e-payment, refund etc.,

2.7 The following documents are to be submitted along with the application:

- a) Application, Instructions to Applicants and Terms and Conditions of the Distributorship along with all the related documents and Annexures. All the pages shall be duly filled up as required, signed by a person authorized to sign on behalf of the Applicant and stamped with the Applicant's seal.
- b) Constitution of the Applicant's Concern/Firm/Company, including date of registration/incorporation of the Firm/Company.
 - i) In case of a Company, self attested copies of Memorandum and Articles of Association along with self attested copy of certificate of incorporation issued by the Registrar of Companies are to be submitted.
 - ii) In case of a Partnership firm, a self attested copy of the Partnership Deed and a self attested copy of the Certificate of Registration issued by the Registrar of Firms (in case the firm is registered) are to be submitted.
 - iii) In case of a Proprietary Concern, self-attested copy of proof of Proprietorship issued by the relevant Govt. Deptt. /Notarized Affidavit is to be submitted.
- c) Names and addresses of the lead Banker to the Applicant along with certificate from the Banker on financial soundness of the Applicant based on their transactions during last three years at Annexure VI.
- d) Declaration as to whether the Applicant has any relative, within the meaning of the prevailing Companies Act, employed in any capacity in the Company (RINL).
- e) Copy of the Power of Attorney in favour of the Authorized Signatory submitting the application along with the requisite documents on behalf of the Applicant.
- f) Proof of registration with statutory authorities, viz., GST Authorities, Income Tax Department, etc., or an undertaking that the successful applicant shall be registered with the concerned statutory authorities within 30 days from the date of Agreement, if not already registered.
- g) List of documents (copies) as required from statutory authorities like:-
 - i) PAN No
 - ii) GST Registration numbers
- h) 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,

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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.

- i) 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.
- j) Details of equipment, weighbridge and other facilities (as specified in the scope of work) if already available or declaration to the effect that the successful applicant will make available the required infrastructure and facilities within 30 days of Agreement. In respect of weighment facilities, the same should preferably be on the Distributors premises, however, nearby public weigh bridge may be acceptable.
- k) Chartered Accountant's certificate showing prior experience of minimum 3 years in dealing (i.e. storage & distribution), with Steel and/or cement and/or construction material.
- l) Copies of the Audited Balance Sheets and profit & loss account for previous 3 financial years.
- m) Credit worthiness and Solvency Certificate

2.8 Declaration to the fact of existing Dealer base of the applicant in every district along with previous 3 years sales in each of the district to be given.

2.9 Applications are liable to be rejected in case the instructions indicated above are not followed.

3.0 Receipt of Applications:

3.1 After downloading the Application form and other documents and going through the same, the applicant shall submit the filled in application along with all other documents duly signed and stamped by authorized representative and submit at RINL Branch Office on or before the designated date and time.

3.2 In case any deviation is found in the downloaded documents submitted by applicants than what has been stated in the original uploaded documents by RINL, such applications shall be liable for rejection.

4.0 Opening of Applications:

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4.1 Opening of Application shall be done immediately after 3.30 PM. In case any applicant fails to submit the EMD, the application submitted by such applicants shall be rejected. The applications of eligible applicants, whose applications have not been rejected due to non-submission of required EMD would be taken up next for evaluation and verification.

4.2 RINL reserves the right to accept or reject any or all applications in the manner deemed fit by the Company.

5.0 Rejections of Applications

5.1 Applications may generally be rejected if –

- a) Applications with any condition or modification is submitted.
- b) Submitted without EMD.
- c) The application shows that the applicant has not met with certain technical/commercial requirements including eligibility criteria.
- d) Any deviation is found in the downloaded documents submitted by the applicant than what has been stated in the original document uploaded by RINL.
- e) Any adverse report is received in respect of capabilities and performance of an applicant , from any department of the company (i.e. RINL) or from Heads of Materials Management/ Vigilance Depts. of sister units/ Corporate Office of RINL or from Ministry of Steel/ Statutory Bodies/ CBI/ CVC, etc., before or after opening offers/application.
- f) Any counter conditions.
- g) Land is not suitable.

6.0 Evaluation criteria of application for Distributor

6.1 Applications for Distributor shall be evaluated by RINL 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 RINL 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, RINL 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.

6.4 The short listed applicants have to make a presentation to the **Regional Committee** either in person or on-line at a mutually agreed location. The presentation will be based on the applicant's sustainability of business, their current business model, market potential , quality consciousness and promoting of RINL's business in that area. The **Regional Committee** will finally recommend one applicant for appointment as the Distributor. Based on the recommendations of **Regional Committee**, Director (Commercial) will accord approval for appointment.

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

7.1 Retail capability: weightage 40%

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

7.2 Infrastructure capability: weightage 30%

- I. 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)**
- II. Proximity to the Railway siding/Highway
- III. Handling, delivery and weighment facilities
- IV. Number of sales executives
- V. Infrastructure for value added services like de-coiling, cut & bend services

7.3 Financial capabilities: weightage 30%

- I. Annual turnover for preceding three years
- II. Credit limits sanctioned and utilized
- III. Credit Worthiness & Solvency
- IV. Net Worth
- V. 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 A & B.**

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

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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	

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		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	

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			New Entrant	1	7
	Customer reach		More than 20 dealers	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
	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	

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			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		
	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	
	De-coiling facility		Ownership	Less than 0.25 acre	1
				Fully owned	2
	Bending Facility		Ownership	on lease	1
				Fully owned	2
	Location		Ownership	on lease	1
				Within 10 kms of railway siding/ highway	4
Location		Ownership	Between 10-20 kms from railway siding/highway	3	

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		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	

- 7.8 RINL shall thereafter give a **letter of intimation for inspection** of the premises and facilities of the successful applicant.
- 7.9 Inspection will be carried out within 7 days of the Letter of Intimation of Inspection.
- 7.10 Distributorship agreement on non-judicial stamp paper of appropriate value is to be signed within 7 days of date of LOA.
- 7.11 After issue of LOA, the Distributor will be given a maximum of 6 months to ensure that the required number of Dealers are appointed. The Dealers will be appointed by the distributor in consultation with RINL. RINL will issue a “Certificate of Dealership” to the appointed Dealer clearly mentioning the “valid from and “valid to” dates.
- 7.12 Deliveries to the Distributor will begin when at-least 10 Dealers have been appointed. The quantity to be delivered will be proportionate to the agreed quantity till the required number of Dealers are in place.
- 7.13 The Letter of Appointment would automatically be rendered invalid if any one of the formalities as indicated in the notification, instructions to the applicants and agreement are not complied with and in that event SD of the Applicant will be forfeited.

8.0 Guarantee of supply

- 9.1 RINL will endeavor to supply materials to the appointed Distributor as per the agreement. However, RINL does not provide any commitment to supply the minimum committed quantity as per the notification and supply of material is subject to availability.

8.0 VALIDITY OF Application

- 9.1 The application shall be kept valid for a period of 90 days from the date of last date of submission of the application. Any modification, variation, clarification made thereto by the applicant during the above period shall be construed as withdrawal of the application in which event RINL shall reject the application and forfeit the EMD without any reference to the applicant. Any inadmissible counter conditions at the time of submission of the application will be liable for rejection of the application itself.

10.0 GENERAL

- 10.1 Application will not be sold in physical form and interested parties have to download the same from RINL website site www.vizagsteel.com. The applicants have to submit their applications to the concerned Branch of RINL before the due date and time mentioned in the invitation to the application.
- 10.2 In case applicant is found to have resorted to corrupt, fraudulent practices including misrepresentation of facts and/or fudging /forging/ tampering of any of the documents submitted and / or furnishing false declaration against this invitation, the application shall be summarily rejected and EMD forfeited. Besides, action shall be initiated against the applicant for banning of business dealings as per RINL stipulated guidelines.
- 10.3 RINL reserves the right to accept or reject any or all applications in any manner deemed fit by RINL without assigning any reason whatsoever.

11.0 Meeting with RINL officials

Before submission of filled in applications, interested applicants may attend the preliminary meeting at the Branch for complete understanding of the whole process.

TERMS AND CONDITIONS OF RINL DISTRIBUTORSHIP

1.0 Location of Distributors/Dealer:

- 1.1 RINL is 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.
- 1.2 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.
- 1.3 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.
- 1.4 Distributor shall establish warehousing facilities within the jurisdiction of distributorship prescribed by RINL ensuring forward movement of steel to dealers.

2.0 Products Covered under Distributorship:

- 2.1 TMT Rebar and Structural.
- 2.2 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.

3.0 Period of Registration:

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

4.0 EMD/ Security Deposit

- 4.1 The 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	5.90
1500	3.54
1000	2.36
500	1.18

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.

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- 2.3 For the successful applicant, the EMD submitted along with the application shall be converted into SD. 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. The SD-BG shall be submitted as per the format given at Annexure- VIII 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. In case of forfeiture of SD, GST shall be applicable on Security Deposit and shall be recovered from the Distributor. GST shall be charged by grossing the Security Deposit amount with the applicable GST rate. RINL shall issue tax invoice in favor of the Distributor for such recovery/forfeiture.
- 4.3 The sales process shall commence after the Distributor submits Security Deposit, as mentioned above.
- 4.4 The Earnest Money Deposit (EMD) shall be forfeited ,
- a) If the applicant withdraws their application during the validity period and / or modifies any of the Terms & Conditions contained in the Instructions to the Applicant during the validity period of the said application evaluation process, or
 - b) In case the successful applicant fails to –
 - iv) Provide all infrastructural facilities as required under the notification,
 - v) Comply with any or all the requirements / formalities as specified in the application documents
 - vi) In case applicant is found indulging in forgery / fudging / tampering of any of the document submitted including application/documents downloaded from RINL website and / or furnishing false declaration against this notification.
- 4.5 The EMD, provided by unsuccessful applicants, shall be refunded within 30 days of issue of Letter of Appointment (LOA) to the successful applicant. The applicants are required to furnish their Bank Details for RINL to make necessary e-payment, refund etc.,

5.0 Prices

5.1 Purchase Price:

- 5.1.1 **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.** It is envisaged that material will be sent on FOR to the Distributor from ex-plant only. In exceptional cases, FOR deliveries can be made from the Branches with the approval of HOD (Mktg.). In case the actual freight (FOR) to the Distributor destination is higher than the Rail freight of 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.

5.2 Selling Price of Distributor and Dealer:

- 5.2.1 RINL shall fix district /jurisdiction-wise MRP (Maximum Retail Price) for the Dealers. Selling price

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by the Distributor to the dealers and dealers to the consumers shall be fixed by the In-charge 2-tier Distribution Network at Head Quarters with the approval of HOD-Mktg.

6.0 Payment Terms

- 6.1 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.

7.0 Delivery

- 7.1 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.

8.0 Quality and Test Certificate

- 8.1 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.

9.0 Brief Scope of Work of Distributor:

- 9.1 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.

10.0 TENURE- Tenure for Appointment

- 10.1 The RINL Distributor shall be appointed for a period of Five (5) Years from the date of Letter of Appointment (LOA).
- 10.2 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.

11.0 Principal responsibilities

- 11.1 The Distributor shall exclusively deal RINL products and shall not deal with Steel Material of any other producers in the same premises.
- 11.2 Appointing Dealers (as per prescribed criteria given elsewhere in this section) in consultation with

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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.

- 11.3 Arranging materials to the appointed dealers in the territory identified by RINL for the distributor.
- 11.4 Monitoring the activities of the Dealers to ensure that the Dealer is properly discharging their roles/responsibilities.
- 11.5 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.
- 11.6 The Distributor shall have all appropriate registrations with statutory authorities at the time of issue of LOA.

12.0 Services to be offered by the Distributors:

- 12.1 Mandatory Services like De- Coiling, straightening, cutting, Bending, Bundling/Strapping/Repacking, Handling, Proper Stacking, tagging etc.,
- 12.2 Distributor shall always maintain minimum inventory level of 10 days equivalent sales in each size of monthly committed quantity per month.
- 12.3 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.
- 12.4 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.,
- 12.5 Providing proper Display Board and other promotional items for the dealers as per design provided by RINL.
- 12.6 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.
- 12.7 Timely communication of consolidated demand of various items to RINL for production planning and deliveries.
- 12.8 Furthering the Business interests of RINL in the Distributor’s territorial jurisdiction as advised from time to time.

13.0 Infrastructure and facilities required for appointment of Distributors

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13.1 LAND:

- 13.1.1 **The applicants shall generally possess a single piece of land varying in the sizes of 0.5 acre to 1.0 acre and the preferred requirement is 1.0 acre of land for handling 1500/2000 MT per month of committed quantity and at least 0.5 acre of land for 500/1000 MT per month of committed quantity.** The land shall be 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..
- 13.1.2 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.
- 13.1.3 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.

13.2 MACHINERY:

- 13.2.1 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.
- 13.2.2 Input material size 8mm-12 mm TMT in Coils

13.3 BUNDLING & PACKAGING:

- 13.3.1 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.
- 13.3.2 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

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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.

- 13.4 STORAGE:** Provide suitable storage for stocking of RINL Products for servicing the requirement of dealers.
- 13.5 WEIGHMENT:** Weighment facilities should preferably be on the Distributors premises, however nearby public weighbridge would also be acceptable.
- 13.6 TRANSPORTATION:** Arrangements for transportation of materials to Dealers (own or hired).
- 14.0 IT Infrastructure:**
- 14.1 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.

15.0. Marketing and Promotional activities

- 15.1** 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.
- 15.2** 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:
- I. Hoarding or Bill Board advertisement at prominent locations every 10 Km within the jurisdiction.
 - II. Hoarding or Pillar Board advertisement at the major Bus Stations within the jurisdiction.
 - III. Advertisement on Buses plying on the prime route within the jurisdiction
 - IV. Display board for Dealer, products & prices of RINL at the Dealers' premises
 - V. Annual meet of all Dealers at suitable location within their jurisdiction of Distributor

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VI. Annual Masons meet at suitable location within their jurisdiction of Distributor

VII. Suitable customers awareness programme within their jurisdiction of Distributor

15.3 **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.100/- per ton will be given at the RINL Sales Invoice stage. Balance Rs.100/- 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.100/- per ton. The promotional Incentive shall be absolute and lump sum amount without any adjustments towards any statutory levies like GST, etc.**

15.4 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.

16.0 Business Volumes and Growth

16.1 **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.**

16.2 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.

17.0 Annual Incentive

Annual Incentive for the Distributor

17.1 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.

17.2 Incentive table for the Distributor

Incentive table for the Distributor (monthly volume of 2000 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
<i>1</i>	<i><=6000</i>	<i>NIL</i>

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2	>6000-12000	150
3	>12000-18000	200
4	>18000- 24000	250
5	>24000	300

Incentive table for the Distributor (monthly volume of 1500 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=4500	NIL
2	>4500-9000	150
3	>9000-13500	200
4	>13500- 18000	250
5	>18000	300

Incentive table for the Distributor (monthly volume of 1000 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=3000	NIL
2	>3000-6000	150
3	>6000-9000	200
4	>9000- 12000	250
5	>12000	300

Incentive table for the Distributor (monthly volume of 500 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=1500	NIL
2	>1500-3000	150
3	>3000-4500	200
4	>4500- 6000	250
5	>6000	300

17.3 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</i>	<i>Incentive</i>
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	(MT)	(Rs/MT)
1	<=300	NIL
2	>300-600	50
3	>600-1200	75
4	>1200	100

Distributor monthly volume of 1500 MT

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

Distributor monthly volume of 1000 MT

Sl.no	Yearly Quantity offtake (MT)	Incentive (Rs/MT)
1	<=150	NIL
2	>150-300	50
3	>300-600	75
4	>600	100

Distributor monthly volume of 500 MT

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

- 17.4 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.
- 17.5 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.
- 17.6 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

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17.7 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.

17.8 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.

18.0 Territorial Jurisdiction

18.1 Distributor shall be appointed in the specified district with the jurisdiction of the neighboring districts as mentioned in the notification.

18.2 The appointed Distributor will not be entitled to sell any material to the dealers or appoint dealers beyond their jurisdiction.

18.3 The Distributor, with the prior clearance of the controlling Branch Sales Office may service Project orders less than 100 MT. The quoted price for such orders shall not be more than RINL MRP.

18.4 The Distributor shall be required to service the demand of all the dealers within the identified territorial jurisdiction.

18.5 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.

19.0 Modalities of Purchase of Materials by Distributors:

19.1 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.

19.2 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.

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

20.0 Selling Price of Distributor to the Dealer

20.1 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,

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cutting and bundling Bending/re-bundling/repackaging, strapping, tagging, handling/loading, weighment etc., which is fixed at Rs. 700/- per MT and transportation charges to dealers location at actuals.

- 20.2 The Distributor shall meet all their related expenses like establishment, Marketing, Manpower etc from the above margin amount of Rs.1000/- pmt.

21.0 Escalation

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

22.0 Product Quality Feedback & Complaint Settlement

- 22.1 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.
- 22.2 The Quality complaints, if any, shall be settled as per the Quality Complaint Procedure in vogue at RINL.
- 22.3 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.

23.0 Liabilities of the Distributor:

- 23.1 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.
- 23.2 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.
- 23.3 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.
- 23.4 Distributor shall comply with all statutory provisions.
- 23.5 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.
- 23.6 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.

24.0 Termination Clause (Distributors)

- 24.1 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
- 24.2 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.
- 24.3 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.

25.0 Broad Roles and responsibilities of the Dealers

25.1 Products covered:

25.1.1 The products covered under the scheme are:

- a) TMT Bars and Structurals (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.

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

- 26.1 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.
- 26.2 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.
- 26.3 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.

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VISAKHAPATAM STEEL PLANT
(A Govt. of India Enterprise)
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Andhra Pradesh. E mail – rnlretailsales@gmail.com Mob 9437035982

27.0 Roles and Responsibilities of Dealer:

- I. 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.
 - II. Provide delivery and other services to customers, as required.
 - III. Maintain regular stocks of RINL materials to ensure meeting demand of such customers.
 - IV. Provide necessary IT infrastructure as required to maintain online connectivity with Distributor/RINL, as required.
 - V. Assist, facilitate and carry out local promotion and brand building activities, along with the Distributor.
 - VI. Should follow the guidelines and advice of RINL from time to time with regard to Branding, promotion, sales efforts etc.
 - VII. Providing RINL/Distributor with inputs on activities of competitors, market intelligence etc from time to time.
 - VIII. Help further the business interest of RINL in the identified areas.
 - IX. Will prominently display the certificate of dealership issued by RINL with “valid from and to date” and MRP display board outside/within their premises/
 - X. 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.
- 27.1 The dealers will discharge the above responsibilities under the guidance of the distributor and RINL.

28.0 Infrastructure and facilities required for Dealer

- 28.1 Dealer shall be in possession of a shop/store with suitable go-down space for handling and storage of steel material.
- 28.2 Suitable facilities for handling, delivery and weighment of Steel Materials.
- 28.3 Should preferably have prior experience in dealing with Steel and/or cement and/or construction material.
- 28.4 Should preferably have an annual turnover of 100 lakhs and above.
- 28.5 Dealer should have all statutory registrations as required for the purpose.

29.0 Territorial Jurisdiction of Dealer

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29.1 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.

30.0 Tenure of Dealer

30.1 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.

31.0 Settlement of Quality Complaint

31.1 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.

31.2 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.

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

32.0 Servicing of requirement of dealers by distributors

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

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

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

33.0 Procedure for appointment of Dealers:

33.1 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.

33.2 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.

34.0 Termination of Dealers:

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34.1 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.

34.2 RINL representative may inspect availability of materials at the premises of the Dealer from time to time.

35.0 General

35.1 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.

35.2 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 Applicant s 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.

36.0 Cancellation Clause:

36.1 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 aspects considered detrimental to the interest of RINL as given below:

- 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

37.0 Fore Closure

37.1 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.

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37.2 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.

38.0 Other Information:

38.1 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.

38.2 The Sr. BM shall review the performance of the Distributors, at the end of every quarter and submit a consolidated report to RM. RM may further consolidate the report and submit the same to HOD-Marketing.

39.0 SETTLEMENT OF DISPUTES

39.1 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 Agreement or breach thereof shall be settled between the Employer and the Distributor 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 Agreement or the breach thereof shall be settled by Conciliation and then Arbitration. In cases where Conciliation fails, the parties shall resolve their disputes/differences through Arbitration.

39.2 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.

39.3 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 Chief 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 as 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.

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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 mutual consent within 30 days.
 - 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.
- 39.4 The seat and venue of Conciliation/Arbitration shall be at Visakhapatnam, Andhra Pradesh. The language of Conciliation/ Arbitration shall be English.
- 39.5 The Award made in pursuance of above shall be a reasoned Award and shall be final and binding on both the parties.
- 39.6 Both parties agree that no interest shall be awarded by the arbitrator/arbitral tribunal in any arbitration proceedings pertaining to this Agreement.
- 39.7 Notwithstanding the existence of any dispute and differences or conciliation or arbitration in terms hereof or otherwise, work under the Agreement shall continue during the conciliation or 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 Agreement.
- 39.8 The courts at Visakhapatnam, India with the exclusion of all other courts, shall alone have jurisdiction over all matters relating to this Agreement and the disputes and differences arising from the same. Governing law shall be Laws of India.

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Annexure A

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

--

Names of the Committee Members & Designations

Signatures

- 1.
- 2.
- 3.

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

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Annexure B

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

Names of the Committee Members & Designations

Signatures

- 1.
- 2.
- 3.

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

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Annexure-V

Format of Application for Appointment as RINL Distributor

For use of Branch only

Date & Time of Opening	
No of the application	
Total applications Received	
Location	

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Marketing Department, VISAKHAPATNAM

Expression of Interest for appointment as Distributor of RINL

1. Name of the applicant/Firm :
2. Status of the applicant : Proprietor/Partnership/Pvt.Ltd.Firm/Public Ltd.
Firm / Co-operative
3. Address :
4. Contact Details :
Telephone No.
Fax No.
5. Contact Person :
Name
Designation
Details of Partners/Directors

(Please enclose a copy of Partnership Deed/Memorandum and Articles of Association, Company Registration Details along with latest Balance Sheet and P&L Statement)

6. Whether any of the applicant/proprietor/Partner/Directors are
RDs/CA/CSA/Handling Contractors for RINL Products: Yes/No
7. Whether any of the applicant/proprietor/Partner/Directors are related
to Employees of RINL : Yes/No
(if yes, Please furnish the details there off)
8. GST No :
9. Nature of the Business : Manufacturing/Trading
10. Type of Products handled :
11. Turnover Details: (Please enclose Turnover Certificate as certified by CA in format at Annexure VII):

RASHTRIYA ISPAT NIGAM LIMITED

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	Last three Years Report		
Total Sales Turnover			
Turnover of Steel Products (If any)			

12. Total Net Worth: In Rs. Crores (as certified by a CA):
13. Total Equity Capital or Investment in Business.
(Rs. in Lakhs)
14. Bankers Name & Address:
(Please enclose Bankers Reference indicating the credit worthiness and solvency in format at Annexure VI)
15. Details of infrastructure Facilities:
Own/leased/Consent to lease
Office/Sales counter
Area in Sq.ft:
(Indicate whether existing yard or will be made immediately after selection of the applicant

Warehouse/stockyard
Area in Sq.ft:
Address
Location:
Proximity to the Raiway Siding/Highway: In Kms.

Any other information the applicant wishes to provide:
16. Details of Retail capabilities
Presence in the Market: (in Number of Years)
Number of Dealers during the last three years
17. Areas/places to be covered in the proposed business, in order of preference:
18. Declaration:

I/We have gone through the terms and conditions contained in Instructions to Applicants and Draft agreement as Distributor and accord my/our acceptance of the same

I/We declare that the information given above is true and correct. I/We am/are fully aware that if any information given above is found to be incorrect, I/We would be disqualified and/or our appointment may be cancelled at any point of time.

Place:

Date:

Signature of Authorized signatory

With Seal

Note: This application form shall be attached to the covering letter in the applicant firms' letterhead.

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ANNEXURE -VI

CERTIFICATE FROM THE (MAIN) BANKER
On the letter head of the Bank

Dated:_____ (Name & address of the bank)

This is to certify that M/s_____ (Name & Address of the Applicant) has/have been having transactions with us for last_____years and their financial standing is sound based upon such transactions for the last twoyears.

In addition, the following information is also furnished:-

- a. Nature of account held & its account no. in the Bank
- b. Various Credit limits sanctioned and utilized individually
- c. BG and LC limits and utilization separately
- d. Bank's Rating of the Party
- e. Overdraft Limit as on date: Rs..... Crs.
- f. Performance of accounts/customer: Satisfactory/Good
- g. The Customer is solvent upto Rs.....

Bank Manager

Signature.....

Name.....

P.No.....

Official seal.....

(TO BE ISSUED BY PRACTISING CHARTERED ACCOUNTANT ON THEIR LETTER HEAD)

To
The Branch Manager

Date

Rashtriya Ispat Nigam Limited BSO _____

Dear Sir,

Sub: Turnover Certificate for participation in the notification issued by RINL for appointment of Distributor

This is to certify that M/s _____ (Agency Name & Address) are in the business of sales/distributorship of steel/cement/pipes for _____ completed years (considered upto 31st March of last Financial Year).

Their Turnover in sales/distributorship business of steel/cement/construction materials in each Financial Year during the 03 (three) years are as given below:

Year	Name & address of the Applicant	Products handled under sales/distributorship	Unit of Measurement	Turnover	
				Volume in units (Product wise)	Value (Rs. Lakhs)
2020-21					
2019-20					
2018-19					
2017-18					

This is further certified that the above turnover is part or full turnover as appearing in the Agency's audited annual accounts in all the three years mentioned above.

The turnover for the above mentioned 3 years is in line with Tax Returns submitted by the Agency which is verified by us.

Further, the net worth of the agency as per the Tax Returns submitted by the Agency for the latest financial year (FY xxxxxxxx/ AY xxxxxxxx) is Rs..... Crores.

(Signature and Stamp/Seal of the Signatory) (Chartered Accountant)

Name of the Signatory:

Full Address:

Place:

Date:

Membership No.: Contact No.

Email

DIN

BANK GUARANTEE**(FROM SCHEDULED BANK)**

(On non-judicial stamp paper of value not less than Rs. 100/- purchased in the name of Executing Bank)

SECURITY DEPOSIT

1. Name & Address of the Bank:
2. Bank Guarantee No & Date:
3. Limit of Liability:
4. Expiry Date: 6 years from the date of issue of BG
5. Notice Inviting Applications Ref No _____ &
Date _____

Name of the Work: **Appointment of Distributor under 2-tier Sale & Distribution system of RINL**

To

RASHTRIYA ISPAT NIGAM LTD

1. In consideration of the M/s Rashtriya Ispat Nigam Ltd, Visakhapatnam steel Plant, A Govt. Company incorporated under the Companies Act, 1956 and having its registered office at Main Administrative Building, Visakhapatnam - 530031(hereinafter called the "Company") having agreed to accept this Guarantee towards the security for the due performance of all the obligations contained in the Letter of Intent No. _____ dated _____ (hereinafter called the "said Contract" which expression shall include any formal agreement entered into subsequent thereto or in supersession thereof and all modifications to and amendments in the said agreement) made between the Company and M/s. _____(hereinafter called the "Distributor") for Handling & Distribution of various kinds of Iron and Steel materials by the Distributor at under the said Agreement t, we _____(Name of the Bank) (hereinafter referred to as the 'said Bank') do hereby undertake to pay the Company an amount not exceeding Rs _____(Rupees _____only) against the Distributor's failure and/or non observance and/or breach(s) of any of its obligations and/or the terms and conditions contained in the Agreement dated ____.
2. We, the _____ Bank (hereinafter referred to as "the said bank") do hereby undertake to pay the amount (s) due and payable under this Guarantee to the extent of Rs. _____ (Rupees _____only) without any demur, question or protest, merely on receipt of a demand from the Company stating that the said Distributor has failed to fulfill and/or observe and/or commit breach(es) of the obligations as stipulated in the said Agreement and the amount claimed is due and payable to the Company by the said Distributor on account of loss / damage sustained by the Company thereof. Any such demand made on the said Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. It is hereby expressly agreed

and declared that the Company shall have the fullest liberty to claim payment of the amount under this Guarantee subject to the ceiling limit of Rs_____lacs (Rupees_____only) as referred to above and this Guarantee shall not become in fructuous or invalid because of the partial payment or payments made by us to the Company pursuant to the demand or demands made by the Company upon us for payment from time to time. It is further affirmed that this Guarantee shall hold good in favour of the Company to the extent of the balance amount covered under this Guarantee. It is also agreed and affirmed that the Company shall be the sole judge as to whether the said Distributor has failed to observe/fulfill any or all the obligations contained in the said Agreement referred to above, and/or committed any breach or breaches in respect thereof as also the amount become due and payable by the Distributor on account thereof, and any such decision of the Company shall be final and binding upon us. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs_____lakhs(Rupees_____lacs only).

3. We the said Bank, further agree that this Guarantee shall not be revoked and remain in full force and effect until the said Distributor fulfills all the obligations under the said contract in due performance thereof and that it shall continue to be enforceable for the period that would be taken for satisfactory performance and fulfillments in all respects of all obligations under the said Agreement and that it shall continue to be enforceable till any notice of no claim is given by the Company.
4. We, the said Bank, further agree that the Company has the fullest liberty without affecting in any manner our obligations herein to vary any of the terms and conditions of the said Agreement and to forebear or enforce any of the terms and conditions relating to the said Agreement and we shall not be relieved of our liability under this Guarantee by reason of any such variation or extension being granted to the said Distributor or for any forbearance and/or commission on the part of the Company.
5. We _____ (name of the Bank), hereby agree and declare that this guarantee will be valid and effective for a period of 6 (six) years from the date of its issue and we further agree that the guarantee herein contained shall not be affected by any change in the Constitution of the said Distributor.
6. We _____(mention the name of bank), hereby agree that any claim due and arising under this guarantee shall be enforceable against our bank's branch _____(mention the name and address of branch) at and they shall honour such demand in any case not later than next working day.
7. Issuance of this Bank Guarantee may also be got confirmed from our controlling branch/office/higher Authority as per name & address mentioned below:

Place:

Signature:

Date:

Name:

LETTER OF APPOINTMENT (LOA) AS RINL DISTRIBUTOR

To

.....

Dear Sirs,

Sub: Our Invitation for applications for appointment of RINL Distributor at No..... & dtd.....

Ref: Your application dtd.in response to our invitation

RINL is pleased to inform you that your application read along with the other documents submitted by you, has been accepted by RINL, subject to the terms and conditions of Policy guidelines for sale of material through 2-tier Sales and Distribution System, , in vogue.

You are advised to contact our _____ (Branch Name)
Address_____ for further interface and deposit the requisite security
deposit and sign the agreement as RINL Distributor within 7 days from the date of this letter.

.

Thanking you,

Yours faithfully,
For & on behalf of RASHTRIYA ISPAT NIGAM LTD.

Format of Agreement with the appointed Distributor
(To be executed on non-judicial Stamp paper of value as applicable in the concerned state)

This agreement No. _____ made on this _____ day of _____ 20____ between Rashtriya Ispat Nigam Limited, Head Quarter Sales, Project Office Complex, Visakhapatnam Steel Plant, Visakhapatnam 530 031, a Company incorporated in India under the Companies Act'1956, CIN having its registered office at Main Administration Building, Visakhapatnam Steel Plant, Visakhapatnam 530 031 represented by its Sr. Branch Manager (herein after called RINL, which term or expression unless excluded by or repugnant to the context shall include its successors and permitted assigns) of the First Part and M/s _____ (Name & address of the Distributor) *having their registered office at _____ (*applicable in case of a registered company), hereinafter called as "Distributor", (which term or expression unless excluded by or repugnant to the context shall include its successors and permitted assigns) of the Second Part.

WHEREAS RINL is desirous of appointing Distributor at and accordingly invited applications from various eligible parties,

ANDWHEREAS the Distributor who has been dealing in Iron & Steel products has applied for appointment as RINL Distributor at vide his application dated _____ agreeing to accepting all the terms and conditions for appointment.

AND WHEREAS RINL after scrutiny of application, has been pleased to appoint M/s _____, as a Distributor for sale of its steel products on the terms and conditions set out hereunder, for a period of two years _____.
 NOW THIS AGREEMENT WITNESSETH AS UNDER:

1.0 Location of Distributors:

- 1.1 RINL is 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.
- 1.2 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.
- 1.3 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.
- 1.4 Distributor shall establish warehousing facilities within the jurisdiction of distributorship prescribed by RINL ensuring forward movement of steel to dealers.

2.0 Products Covered under Distributorship:

- 2.1 TMT Rebar and Structural.

- 2.2 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.

3.0 Period of Registration:

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

4.0 Security Deposit

- 4.1 The 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	5.90
1500	3.54
1000	2.36
500	1.18

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).

- 4.2 For the successful applicant, the EMD submitted along with the application shall be converted into SD. No interest shall be paid by RINL on this 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. The SD-BG shall be submitted as per the format given at Annexure- VIII 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. In case of forfeiture of SD, GST shall be applicable on Security Deposit and shall be recovered from the Distributor. GST shall be charged by grossing the Security Deposit amount with the applicable GST rate. RINL shall issue tax invoice in favor of the Distributor for such recovery/forfeiture.
- 4.3 The sales process shall commence after the Distributor submits Security Deposit, as mentioned above.

5.0 Prices

5.1 Purchase Price:

- 5.1.1 **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.** It is envisaged that material will be sent on FOR to the Distributor from ex-plant only. In exceptional cases, FOR deliveries can be made from the Branches with the approval of RINL. 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.

6.0 Selling Price of Distributor and Dealer:

- 6.1 RINL shall fix district /jurisdiction-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 RINL.

7.0 Payment Terms

- 7.1 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.

8.0 Delivery

- 8.1 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.

9.0 Quality and Test Certificate

- 9.1 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.

10.0 Brief Scope of Work of Distributor:

- 10.1 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.

11.0 TENURE- Tenure for Appointment

- 11.1 The RINL Distributor shall be appointed for a period of Five (5) Years from the date of Letter of Appointment (LOA).
- 11.2 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.

12.0 Principal responsibilities

- 12.1.1 The Distributor shall exclusively deal RINL products and shall not deal with Steel Material of any other producers in the same premises.

- 12.1.2 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.
- 12.1.3 Arranging materials to the appointed dealers in the territory identified by RINL for the distributor.
- 12.1.4 Monitoring the activities of the Dealers to ensure that the Dealer is properly discharging their roles/responsibilities.
- 12.1.5 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.
- 12.1.6 The Distributor shall have all appropriate registrations with statutory authorities at the time of issue of LOA.

13.0 Services to be offered by the Distributors:

- 13.1 Mandatory Services like De-Coiling, straightening, cutting, Bending, Bundling /Strapping/ Repacking, Handling, Proper Stacking, tagging etc.,
- 13.2 Distributor shall always maintain minimum inventory level of 10 days equivalent sales in each size of monthly committed quantity per month.
- 13.3 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.
- 13.4 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.,
- 13.5 Providing proper Display Board and other promotional items for the dealers as per design provided by RINL.
- 13.6 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.
- 13.7 Timely communication of consolidated demand of various items to RINL for production planning and deliveries.
- 13.8 Furthering the Business interests of RINL in the Distributor’s territorial jurisdiction as advised from time to time.

14.0 Infrastructure and facilities required for appointment of Distributors

14.1 LAND:

- 14.1.1 **The applicants shall generally possess a single piece of land varying in the sizes of 0.5 acre to 1.0 acre and the preferred requirement is 1.0 acre of land for handling 1500/2000 MT per month of committed quantity and at least 0.5 acre of land for 500/1000 MT per month of committed quantity.** The land shall be 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.
- 14.1.2 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.
- 14.1.3 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.

14.2 MACHINERY:

- 14.2.1 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.
- 14.2.2 Input material size 8mm-12 mm TMT in Coils

14.3 BUNDLING & PACKAGING:

- 14.3.1 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.
- 14.3.2 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

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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.

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

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

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

15.0 IT Infrastructure:

15.1 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.

16.0 Marketing and Promotional activities

16.1 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.

16.2 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:

I. Hoarding or Bill Board advertisement at prominent locations every 10 Km within the jurisdiction.

II. Hoarding or Pillar Board advertisement at the major Bus Stations within the jurisdiction.

III. Advertisement on Buses plying on the prime route within the jurisdiction

IV. Display board for Dealer, products & prices of RINL at the Dealers' premises

V. Annual meet of all Dealers at suitable location within their jurisdiction of Distributor

VI. Annual Masons meet at suitable location within their jurisdiction of Distributor

VII. Suitable customers awareness programme within their jurisdiction of Distributor

16.3 **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.100/- per ton will be given at the RINL Sales Invoice stage. Balance Rs.100/- 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.100/- per ton. The promotional Incentive shall be absolute and lump sum amount without any adjustments towards any statutory levies like GST, etc.**

16.4 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.

17.0 Business Volumes and Growth

17.1 **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.**

17.2 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.

18.0. Annual Incentive

Annual Incentive for the Distributor

18.1 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.

18.2 Incentive table for the Distributor

Incentive table for the Distributor (monthly volume of 2000 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=6000	NIL
2	>6000-12000	150
3	>12000-18000	200

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4	>18000- 24000	250
5	>24000	300

Incentive table for the Distributor (monthly volume of 1500 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=4500	NIL
2	>4500-9000	150
3	>9000-13500	200
4	>13500- 18000	250
5	>18000	300

Incentive table for the Distributor (monthly volume of 1000 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=3000	NIL
2	>3000-6000	150
3	>6000-9000	200
4	>9000- 12000	250
5	>12000	300

Incentive table for the Distributor (monthly volume of 500 MT)

<i>Sl.no</i>	<i>Yearly Quantity offtake (MT)</i>	<i>Incentive (Rs/MT)</i>
1	<=1500	NIL
2	>1500-3000	150
3	>3000-4500	200
4	>4500- 6000	250
5	>6000	300

18.3 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

- 18.4 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.
- 18.5 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.
- 18.6 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

- 18.7 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.

- 18.8 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.

19.0 Territorial Jurisdiction

- 19.1 Distributor shall be appointed in the specified district with the jurisdiction of the neighboring districts as mentioned in the notification.
- 19.2 The appointed Distributor will not be entitled to sell any material to the dealers or appoint dealers beyond their jurisdiction.
- 19.3 The Distributor, with the prior clearance of the controlling Branch Sales Office may service Project orders less than 100 MT. The quoted price for such orders shall not be more than RINL MRP.
- 19.4 The Distributor shall be required to service the demand of all the dealers within the identified territorial jurisdiction.
- 19.5 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.

20.0 Modalities of Purchase of Materials by Distributors:

- 20.1 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.
- 20.2 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.

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

21.0 Selling Price of Distributor to the Dealer

- 21.1 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.
- 21.2 The Distributor shall meet all their related expenses like establishment, Marketing, Manpower etc from the above margin amount of Rs.1000/- pmt.

22.0 Escalation

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

23.0 Product Quality Feedback & Complaint Settlement

- 23.1 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.
- 23.2 The Quality complaints, if any, shall be settled as per the Quality Complaint Procedure in vogue at RINL.
- 23.3 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.

24.0 Liabilities of the Distributor:

- 24.1 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.
- 24.2 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.
- 24.3 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.
- 24.4 Distributor shall comply with all statutory provisions.
- 24.5 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.
- 24.6 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.

25.0 Termination Clause (Distributors)

- 25.1 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
- 25.2 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.
- 25.3 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.

26.0 Broad Roles and responsibilities of the Dealers

26.1 Products covered:

26.1.1 The products covered under the scheme are:

- a) TMT Bars and Structurals (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.

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

- 27.1 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.
- 27.2 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.
- 27.3 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.

28.0 Roles and Responsibilities of Dealer:

- I. 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.
- II. Provide delivery and other services to customers, as required.
- III. Maintain regular stocks of RINL materials to ensure meeting demand of such customers.
- IV. Provide necessary IT infrastructure as required to maintain online connectivity with Distributor/RINL, as required.

- V. Assist, facilitate and carry out local promotion and brand building activities, along with the Distributor.
 - VI. Should follow the guidelines and advice of RINL from time to time with regard to Branding, promotion, sales efforts etc.
 - VII. Providing RINL/Distributor with inputs on activities of competitors, market intelligence etc from time to time.
 - VIII. Help further the business interest of RINL in the identified areas.
 - IX. Will prominently display the certificate of dealership issued by RINL with “valid from and to date” and MRP display board outside/within their premises.
 - X. 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.
- 28.1 The dealers will discharge the above responsibilities under the guidance of the distributor and RINL.

29.0 Infrastructure and facilities required for Dealer

- 29.1 Dealer shall be in possession of a shop/store with suitable go-down space for handling and storage of steel material.
- 29.2 Suitable facilities for handling, delivery and weighment of Steel Materials.
- 29.3 Should preferably have prior experience in dealing with Steel and/or cement and/or construction material.
- 29.4 Should preferably have an annual turnover of 100 lakhs and above.
- 29.5 Dealer should have all statutory registrations as required for the purpose.

30.0 Territorial Jurisdiction of Dealer

- 30.1 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.

31.0 Tenure of Dealer

- 31.1 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.

32.0 Settlement of Quality Complaint

- 32.1 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.
- 32.2 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.
- 32.3 The Quality complaints, if any, shall be settled as per the Quality Complaint Procedure in vogue at RINL.

33.0 Servicing of requirement of dealers by distributors

- 33.1 The steel requirement of dealers shall be delivered to the identified dealer go-down by the distributor at distributor's costs.
- 33.2 Payments and all other commercial formalities with regards to the material supplied by the distributors to dealers shall be handled by the distributor only.
- 33.3 Extension of credit against supplies to dealers, if any, shall be by the distributor at its own risks and costs.

34.0 Procedure for appointment of Dealers:

- 34.1 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.
- 34.2 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.

35.0 Termination of Dealers:

- 35.1 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:
- a) Evaluated performance,
 - b) Adverse customer feedback on service, delivery , quality check, weightment etc.,
 - c) Repeated complaints regarding sales of material outside their assigned jurisdiction,
 - d) Non-compliance of MRP,
 - e) Unsatisfactory performance in any other respect and acts detrimental to the interest of RINL.
- 35.2 RINL representative may inspect availability of materials at the premises of the Dealer from time to time.

36.0 General

36.1 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.

36.2 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.

37.0 Cancellation Clause:

37.1 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 aspects considered detrimental to the interest of RINL as given below:

- 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

38.0 Fore Closure

38.1 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.

38.2 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.

39.0 Other Information:

39.1 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.

- 39.2 The Sr. BM shall review the performance of the Distributors, at the end of every quarter and submit a consolidated report to RM. RM may further consolidate the report and submit the same to HOD-Marketing.

40.0 SETTLEMENT OF DISPUTES

- 40.1 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 Agreement or breach thereof shall be settled between the Employer and the Distributor 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 Agreement or the breach thereof shall be settled by Conciliation and then Arbitration. In cases where Conciliation fails, the parties shall resolve their disputes/differences through Arbitration.
- 40.2 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.
- 40.3 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 Chief General Manager either in service of RINL, VSP or a retired officer of similar grade of RINL, VSP or other P.S.Us 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 as 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 mutual consent within 30 days.
- 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.

- 40.4 The seat and venue of Conciliation/Arbitration shall be at Visakhapatnam, Andhra Pradesh. The language of Conciliation/ Arbitration shall be English.
- 40.5 The Award made in pursuance of above shall be a reasoned Award and shall be final and binding on both the parties.
- 40.6 Both parties agree that no interest shall be awarded by the arbitrator/arbitral tribunal in any arbitration proceedings pertaining to this Agreement.
- 40.7 Notwithstanding the existence of any dispute and differences or conciliation or arbitration in terms hereof or otherwise, work under the Agreement shall continue during the conciliation or 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 Agreement.
- 40.8 The courts at Visakhapatnam, India with the exclusion of all other courts, shall alone have jurisdiction over all matters relating to this Agreement act and the disputes and differences arising from the same. Governing law shall be Laws of India.

IN WITNESS WHEREOF the parties hereto have set out their hands on the day, month and year above written.

Signed and Delivered on behalf of
Within the named
Visakhapatnam Steel Plant through
_____ in the presence of
WITNESS:

RINL

1. Branch Finance Manager/BSO/RINL
- 2.

Signed and Delivered on behalf of the within
names _____ through _____
in the presence of

DISTRIBUTOR

- WITNESS: 1.
2.
