

RINL RURAL DEALERSHIP SCHEME (RINL-RDS)

Objective:

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

Scope:

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

Preference to weaker section of society

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

Location:

4. Rural Dealers can be registered at the Mandal/Block /Talukas & Panchayat level locations of Districts. RINL-Rural Dealer shall not be registered at Metropolitan towns, cities etc.

Products:

5. TMT Rebars of various sizes, Wire rods, structurals shall normally be covered under the scheme. Additional products can be added, in case a RINL-Rural Dealer shows interest, at the time of registration with the clearance of P&DL section.

Price & Commercial Terms

6. a) RINL material will be delivered to the premises (excluding unloading) of the RINL Rural Dealers under the RINL Rural Dealership Scheme where the freight shall be charged extra to the Rural Dealer with freight subsidy of Rs 200/per tonne. In case RINL is not able to provide transportation upto destination, Rs200/per tonne towards freight subsidy will be given at the time of delivery.
- b) RINL Rural Dealer may also be extended secured interest free credit for 30days on the quantities lifted during the months. Consequently, Rural Dealer would be entitled to discount of Rs200PMT on the SO price when sale to Rural Dealer is on cash-and-carry basis.
- c) RINL shall be fixing Maximum Recommended Retail Price (MRRP) exclusive of levies, duties, VAT/Sales Tax, Octroi which are to be added extra as applicable for the products to be sold by RINL Rural Dealer.

- d) RINL Rural Dealers shall display the MRRP prominently at their premises. RINL Rural Dealers shall also be obliged to charge their customers at prices within MRRP. MRRP shall be arrived by adding Rs1200/- on the SO price and cost of transportation (net of subsidy of Rs200PMT) ex- RINL stockyard from where the dealer is delivered the products.
- e) Rural Dealer are eligible for MQI/QLI or any other incentive arising from time to time.

Agreed Offtake/Commitment

7. The Rural Dealer will be allowed to lift any quantity upto maximum limit of 150tonnes per month (all the item put together in which WRCs should not be more than 10% of the monthly off take) . For the lifting in the month the eligible quantity of WRCs will be calculated on the basis of the off take of previous month.

Security Deposit

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

Incentive

- 9.0 RINL-Rural Dealers will be eligible for yearly incentive as per the incentive table given below . Incentive shall be payable based on the quantity lifted by the end of the financial year. All the products lifted by Rural dealer will be clubbed together for determining the quantity incentive. The incentives are to be given in the form of credit note, the same shall be absolute and lump sum amount without any adjustments towards any statutory levy like ED, sales tax/VAT etc.

Incentive table

Sl.no	Yearly Quantity offtake (MT)	Incentive (Rs/MT)
1	>300-500	50
2	>500-800	100
3	>800-1800	150

Tenure

- 10.0 RINL Rural Dealers shall be appointed for a period of three years with provision to review after every year. On review if performance is not found satisfactory it may lead to termination of Rural Dealership. After three year the renewal of the Rural Dealers for another three years will be as per the prevailing guideline. However, all Rural Dealers of FY 16-17 shall be allowed to continue Rural Dealership in FY 17-18 irrespective of performance in the year FY16-17.

From FY 2017-18 onward the performance will be reviewed yearly on the basis of lifting of the material on yearly basis, which should not be less than 120 Metric Tons on yearly basis, otherwise the dealership will be cancelled. Once the dealership is cancelled they cannot apply afresh for one year from the date of cancellation. The cancellation clause is not applicable for SC/ST/OBCs/Women /Physically Challenged and minorities

Quality complaints

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

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

Jurisdiction

12.0 The Rural dealer is to cater to the small/tiny demands of user/consumers within the territorial jurisdiction assigned to the dealers by the branch under whose jurisdiction the dealers operate. RINL shall also have the right to appoint more than one Rural dealer in a Talukas/Block/Panchayat . RINL shall also retain the right to sell directly within his jurisdiction

Pricing & Delivery

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

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

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

Sales Promotion

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

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

Promotional Incentive

Ver: 3.0

Clarifying authority : AGM(Mktg)-Policies : Girish Kumar

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15.0 Rural Dealers who take up promotional steps like Hoardings, Wall paintings, Newspaper/Cable TV Advertisement directly shall be entitled for a reimbursement of a promotional incentive restricted to a maximum of Rs100/per tonne of actual lifting in a financial year. The payment would be made on self-certification basis, subject to the raising the bill by the Rural Dealer and submitting the same.

Appointment/Selection

16.0 Applications will be invited from interested parties located in Mandal/Blocks/Talukas & Panchayats levels of district covered under open advertisement in local newspaper and RINL website from time to time. Interested parties can apply against such advertisement. Application forms will be available at branch sales office of RINL. It can also be downloaded from the website. The appointment shall normally be completed within one and half month of applying for the same.

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

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

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

19.0 The two member team may visit Mandal/Block/Talukas and Panchayat level locations of Districts and approach existing Steel / Cement / Hardware Traders / or others for registering under the scheme.

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

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

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

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

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

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

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

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

Selection Criterion:

Item	Weightage		Max: Points
Existing Shop	Steel Shop	3	3
	Cement Shop	2	
	Fertilizer Shop	1	
Exclusive Premises/ Shop Proposed	Own	3	3
	Lease agreement/agreement	2	
Turn over in Lakhs in the financial year preceding the date of application	100	4	4
	75	3	
	50	2	
	25	1	

Total 10

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

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

Declaration

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

Delegation of Powers

25.0 Any additions /modifications/amendments/ deviations of clause other than incentive and promotional measure can be made with the approval of Director (Commercial). Clause relating to incentives & promotional measure requires approval of CMD.

General

- 26.0 a) The Rural Dealers appointed by RINL will not deal with Institutional Customers/Industrial Units/Govt Depts/PSUs and Project and not participate in any kind of tender on behalf of RINL.
- b) RINL shall retain the right to review and revise the incentive(s) commercial benefits other terms, etc of the scheme from time to time depending upon the requirement of RINL

Annexure-1

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

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