



Ref: CQI/21-22/02

Date: 29.03.2021

Commitment Quantity Incentive Scheme 2021-22

1. Preamble:

MRPL is pleased to offer Commitment Quantity Incentive scheme (CQI) for the financial year 2021-22 for twelve months' period covering all PP dispatches from 01.04.2021 to 31.03.2022 to all Customers/Buyers of MRPL's MANGPOL Polypropylene.

2. Requisites:

- 2.1. CQI is based on the Monthly Commitment Quantity (**MQ**) as indicated by the buyer/customer and shall be applicable to all combinations of Prime, NP currently marketed by MRPL comprising of Raffia(HR003/HR003N), Raffia GP(HR005T/HR005TN),IM(HM012T/HM012N),TQ(HF010/ HF010N) & Lamination/Fibre (HY035R/ HY035RN).
- 2.2. Purchase volume of "Off-grades" and / or "Experimental Grades/New grades" shall be considered for arriving at the respective volumes (Monthly, Quarterly & Yearly) and its associated committed quantities (Min, max etc.,). However, incentives shall be applicable only on the volume/quantity of Prime/NP grades as per Para 2.1.
- 2.3. All PP purchases by the buyers from Ex-MRPL PP Warehouse, Ex-Hassan, Ex-DCA cum CS Depot or any other MRPL locations shall be combined together for the applicable slab/volumes/eligibility for the incentive(s) under CQI.
- 2.4. Incentives shall be calculated based on total purchases by the customer during the calendar month/quarter/year as applicable.

3. Commitment Quantity:

- 3.1. Customers desirous of enrolling in CQI shall be indicating the Monthly Committed Quantity (**MQ**), as it is the basis for deriving all other committed quantities viz., Quarterly committed Quantity (**QQ**) and Total Committed Quantity (**TQ**).
- 3.2. Based on the monthly quantity(MQ), the derived
 - a. Quarterly committed Quantity (QQ) = "Monthly commitment quantity (MQ) X 3 (Three)".

b. Total committed Quantity (TQ) = “Monthly commitment quantity (MQ) X 12 (Twelve)”.

3.3. The Monthly commitment quantity(MQ) to be enrolled by buyers are as under:

- a. Manufacturers : Min. 9 MT per month.
- b. MRPL Distributors : Min. 80 MT per month & Max. 600 MT per month.
- c. Non-manufacturers : Min. 50 MT per month & Max. 80 MT per month.

4. Committed Quantity Incentives & Requirements:

Incentives comprise of three parts viz., Monthly Incentive (MI), Quarterly (QI) and Yearly Incentive (YI) described as under:

4.1. Monthly Incentive (MI): Rs. 700/MT:

- a. MI shall be applicable if Customer’s minimum monthly purchase is greater than or equal to **70%** of the Monthly commitment quantity (MQ).
- b. Upper ceiling of MI shall be **110%** of the Monthly Committed Quantity (MQ) i.e., Incentives shall not be applicable on the incremental quantity above 110% of MQ.
- c. Condonations of monthly defaults shall be as per Para 5.1.

4.2. Quarterly Incentive(QI): Rs.200/MT:

- a. Quarterly Incentive (QI) shall be applicable if customer’s minimum quarterly purchase is greater than or equal to **70%** of the Quarterly committed quantity (QQ).
- b. Upper ceiling for the quantity applicable for quarterly Incentive shall be **110%** of the Quarterly commitment quantity (QQ).

4.3. Yearly Incentive(YI): Rs. 700/MT:

- a. Year-end incentive (YI) shall be applicable if customer successfully completes all quarters and the offtake during the CQI period is greater than or equal to **70%** of the Total committed quantity (TQ).
- b. Upper ceiling of YI shall be **110%** of the Total commitment quantity (TQ) i.e., YI shall not be applicable on the incremental quantity above 110% of TQ.
- c. In case customer’s actual off-take for the period (1st Apr 2021 to 31st Mar 2022) is less than their Total committed quantity (TQ) but the offtake is greater than or equal to **70%** of Total committed quantity, the Year-end Incentive (YI) shall be disbursed on a proportionate basis.

5. Deviations & Condonations:

Defaults in committed quantity would be condoned only in the following circumstances:

5.1. **Condonation in Monthly Incentives:**

- a. Condoned Month: In case the customer's purchase is equal to or above **60%** of their Monthly commitment quantity but less than **70 %** of their Monthly commitment quantity in that particular month, that month shall be considered as **condoned month** and offtake of that month shall be eligible for the monthly incentive.
- b. Only one month in a quarter shall be allowed as a condonation month. A Customer Entering in CQI in Q1 shall be permitted maximum **four (4)** condonation months, i.e., one per quarter in Q1, Q2, Q3 & Q4 respectively during the period 1st Apr 2021 to 31st Mar 2022.
- c. Condonation is applicable for the customer who is active (eligible to receive Year End Incentive- YI) in the CQI scheme i.e., a customer enrolled in CQI but subsequently defaults in CQI (M/Q/A) and becomes ineligible for YI then benefit of condonation is not available after the defaults
- d. **Default Month:** If more than one month in a quarter falls under the criteria as per Para 5.1 a, b and/or the monthly offtake of any month is less than **60 %** of their monthly commitment quantity(MQ), that particular month shall be considered as default month and
 - *Monthly incentive(s) shall not be paid for the default month(s) in that quarter and*
 - *Quarterly incentive shall not be paid for that particular quarter where the default month falls and*
 - *Year End Incentive shall also not be paid irrespective of the total quantity lifted in the relevant CQI period.*
- e. If in case a customer has defaulted in a month's committed quantity, the customer shall be treated as default CQI customer. Subsequent supplies to the default customer is subject to surplus product availability (after servicing the demand/order of MRPL's Active CQI Customer). If the defaulted customer continues to lift in subsequent month/quarter, he would be **ineligible** for subsequent (i.e., relevant) Month/Quarterly/ for Yearly Incentive (YI), irrespective of the total quantity lifted in the M/Q/A.

6. **Cutoff date for enrolling in CQI:**

Customers desirous of enrolling in CQI scheme have to send their signed confirmatory letter to MRPL indicating the Monthly committed quantity (MQ) for the supplies during the period 1st Apr 2021 to 31st March 2022 as per the enclosed format. The last date to enroll in CQI is on or before **12.04.2021.**

7. CQI Scheme for distributors

The minimum Monthly quantity for MRPL Distributors shall be **80** MT/m and maximum Monthly quantity shall be **600** MT/m. All duly appointed MRPL's PP Distributors are required to provide CQI scheme Confirmatory Letter to MRPL (CQI Scheme Letter- Annexure). Rest all other terms and conditions, policy/guidelines/methodology of the CQI scheme shall be applicable without any change to MRPL MANGPOL PP Distributors (exceptions/deviations if any shall be stated) as well.

8. Common PAN Number:

For different entities/firm/buyer with same/common PAN number, their enrollment shall be based on a single CQI and the volumes of the entities(s) having same/common PAN can be combined together and the customer(s) declare the details of different entities/firm/buyer with same/common PAN number, at the time of enrollment in CQI. However, the customer(s) having common PAN number but located in different state/region/DCA shall be governed by the extant policy.

9. Terminology/Legends

- a. CQ: Committed Quantity
- b. CQI: Committed Quantity Incentive Scheme
- c. MQ: Monthly committed Quantity.
- d. QQ: Quarterly committed Quantity
- e. TQ: Total committed Quantity
- f. YI: Year-end Incentive
- g. QI: Quarterly Incentive
- h. MI: Monthly Incentive

10. Other Terms and Conditions

- 10.1. CQI scheme is to reward the loyalty of customers to MRPL and it is not a commitment of supply and/or quantity.
- 10.2. MRPL shall endeavor to service all customers with fairness and equity subject to MRPL's production/grade/volume. MQ indicated by the customer shall be subject to MRPL's acceptance after considering overall response to the CQI scheme, MRPL's production, volume available for domestic sale etc.

- 10.3. MRPL's Polypropylene pricing is dynamic and it has no bearing on CQI scheme and/or Customer's MQ.
- 10.4. MRPL may announce/offer any other adhoc scheme/incentive/discount(s) time to time during 2021-22 to increase sales and though the schemes may resemble CQI and/or derive the MQ of customer CQI scheme those schemes are independent of CQI scheme.
- 10.5. Customer(s) are suggested to discuss with MRPL on any clarifications/queries on the CQI scheme.
- 10.6. Prices & terms and conditions associated with the sale are as applicable at the time of removal of the goods.
- 10.7. Disbursement of discounts/incentives under the CQI scheme shall be on the subsequent month of the respective month/quarter/year. MRPL shall be crediting the incentive(s) periodically to customer ledger in MRPL SAP. Customers are also advised to inform MRPL (standard template) on the addition/deletion of their bank accounts to MRPL asap.
- 10.8. Customer(s) are requested to maintain consistency, regularity in their order placements/truck placements to fulfill their committed MQ/QQ/TQ. Neither MRPL nor MRPL's officers shall be responsible for non-completion of CQI due to non-availability of trucks, delayed truck placements, disruption in logistics/loading etc.
- 10.9. Customer(s) eligible to receive Year-end Incentive shall be considered as "Active and live in CQI scheme" and shall be given priority in supplies.
- 10.10. MRPL's interpretation of the CQI scheme and its implementation shall be final and binding on the customers.
- 10.11. MRPL as deemed fit, shall issue any further amendments/clarifications/corrigendum/ addendum to the CQI 2021-22, internally for better clarity, interpretation and disbursement of the CQI incentive and MRPL reserves the right for circulation/non-circulation of such amendments/ clarifications/ corrigendum / addendum.
- 10.12. Customers shall be providing the latest GST Certificate/Annexures and Bank details (MRPL format) and all other supporting documents to revalidate the Customer Master Record and Bank Details in MRPL SAP. However, submission of the documents are not mandatory conditions to accept CQI of the customer.

(Customer Letter Head)

Date:

To
The Regional Manager
Mangalore Refinery and Petrochemicals Ltd
Sir,

SUB: Commitment Quantity Incentive (CQI) scheme 2021-22

We are keen to be associated with MRPL in procuring PP and having read & understood MRPL's Commitment Quantity Incentive (CQI) scheme for 2021-22, We request MRPL to consider our monthly committed quantity (MQ) for the period 1st Apr 2021 to 31st March 2022 (12 months) as under

Sector	MFI	Grade	Monthly Committed Quantity (MQ) MT per month
Raffia	3.4	HR003/HR003N	
	4.5	HR005T/HR005TN	
IM	12	HM012T/HM012/HM012N	
Film TQ	10	HF010/HF010N	
Lamination/Fibre	35	HY035R/HY035RN	
Total			

- The above grade breakup is for MRPL's internal planning and MRPL shall strive to meet our grade wise requirements.
- Pricing and other terms and conditions associated with the sale shall be applicable as per MRPL price circular effective at the time of dispatch/removal of goods.
- We are agreeable to MRPL's CQI scheme and conditions.
- MRPL shall endeavor to prioritize supplies to us as per CQI conditions.
- Our PAN Number is

Kindly register our CQI quantities accordingly.

Thanking You.

Yours sincerely

Authorized Signatory

Name of Authorized signatory

For MRPL use only