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COMMITMENT QUANTITY INCENTIVE SCHEME: FY 2025-26

1. Preamble:

MRPL is pleased to offer Commitment Quantity Incentive (CQI) scheme for the financial year 2025-26 for twelve months period covering all PP dispatches from **01.04.2025 to 31.03.2026** to all Customers/Buyers of MRPL's MANGPOL Polypropylene.

2. Requisites:

- a. 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 grades** currently marketed by MRPL comprising of **Raffia(HR003/HR003N),IM(HM012T/HM012/HM012N/HM065AT/HM065ATN), TQ(HF010/HF010N), Lamination/Fibre (HY035R/HY035RN) and Thermoforming ((HT003T/HT003TN).**
- b. Purchase volume of "Off-grades" and / or "Experimental Grades/New grades" shall be considered for arriving at **the respective volumes (Monthly & 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(a).
- c. All PP purchases by the buyers from Ex-MRPL PP Warehouse-Mangalore, Ex-Hassan, Ex-Hyderabad, Ex-DCACS Depot or any other MRPL approved locations shall be combined together for the applicable slab/volumes/eligibility for the incentive(s) under CQI.
- d. Incentives shall be calculated based on total purchases by the customer during the calendar month/year as applicable.

3. Commitment Quantity:

- a. Customers desirous of enrolling in CQI shall be indicating the Monthly Committed Quantity (MQ), as it is the basis for deriving the Total Committed Quantity (TQ).
- b. Based on the monthly quantity(MQ), the following shall be derived :-
 - i. **Total committed Quantity (TQ) = "Monthly commitment quantity (MQ) X 12 (Twelve)".**
- c. The Monthly commitment quantity(MQ) to be enrolled by buyers are as under:
 - i. **Manufacturers : Min. 5 MT per month.**
 - ii. **MRPL Distributors : Min. 80 MT per month & Max. 1000 MT per month.**
 - iii. **Non-manufacturers : Min. 30 MT per month & Max. 100 MT per month.**

4. **Committed Quantity Incentives & Requirements:**

Incentives comprise of two (2) parts viz., Monthly Incentive (MI) and Yearly Incentive (YI) described as under:

a. **Monthly Incentive (MI): Rs. 1100/MT:**

- i. Monthly Incentive (MI) shall be applicable, if Customer's minimum monthly purchase is greater than or equal to **70%** of the Monthly commitment quantity (MQ).
- ii. Upper ceiling of MI shall be **130%** of the Monthly Committed Quantity (MQ) i.e., Incentives shall not be applicable on the incremental quantity above **130%** of MQ.
- iii. Monthly condonation criteria shall be as per Para 5.1 below.

b. **Yearly Incentive (YI): Rs. 500/MT:**

- i. Yearly incentive (YI) shall be applicable, if customer successfully completes all the months (considering the condonable default months as explained in Para 5.1 below) and the offtake during the CQI 25-26 period is greater than or equal to **70%** of the Total committed quantity (TQ).
- ii. Upper ceiling of YI shall be **130%** of the Total commitment quantity (TQ) i.e., YI shall not be applicable on the incremental quantity above **130%** of TQ.
- iii. In case a customer's actual off-take for the CQI 25-26 period (**1st Apr 2025 till 31st Mar 2026**) is lesser 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. **Condonations and Defaults:**

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

5.1 Condonation in Monthly Incentive:

(a) First condonation criteria:

In case the customer's purchase is equal to or above **60%** of their Monthly commitment quantity but less than **70 % (i.e $\geq 60\%$ & $< 70\%$ of MQ)** 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. **This is the First Condonation Criteria.**

The first condonation criteria (60%) shall be allowed for a **maximum of three (3) months** during the CQI 25-26 period for the customers who are enrolling in the month of Apr'25.

However, the customers shall **not** be allowed to use the first condonation criteria (60%) for more than two (2) consecutive months during the CQI 25-26 period **i.e customers can avail 60% consecutively for only 2 months.**

(b) Second condonation criteria:

In addition to the First Condonation criteria explained in Para 5.1(a), customers entering in CQI in Apr'25 are permitted for purchase which is equal to or above **50%** of their Monthly commitment quantity but less than **60%** of their Monthly commitment quantity (**i.e $\geq 50\%$ & $< 60\%$ of MQ**), for a **maximum of two (2) months** during the CQI 25-26 period, which is the **second condonation criteria.**

However, the customers shall **not** be allowed to use the second condonation criteria (50%) in consecutive months during the CQI 25-26 period **i.e customers cannot avail 50% consecutively for 2 months.**

- (c) Also, the customers shall be allowed to avail both the First and Second condonation criteria together **i.e customers can use 60% and 50% condonation criteria consecutively, only for 2 months.**

Following illustration explains the successful completion of the minimum required lifting of **Customer “A”** with **MQ “10 MTM”**, who is enrolling in Apr’25 after availing all the condonation options offered by MRPL during CQI 25-26 period, as specified under para 5.1 (a),(b),(c);

M1	M2	M3	FY 25-26
50%	60%	83%	
M4	M5	M6	
77%	50%	82%	70.00%
M7	M8	M9	
77%	60%	60%	
M10	M11	M12	
75%	83%	83%	

- (d) The above Condonation options as per para 5.1 (a),(b),(c) are applicable, **only** for the customers who are **“Active” (eligible to receive Year End Incentive)** in the CQI scheme 25-26 i.e., a customer enrolled in CQI 25-26 but subsequently defaults in CQI monthly requirement and becomes ineligible for “YI” then benefit of condonations are **not** available after the defaults. **i.e All the customers who are classified as “CQI Default” have to compulsorily lift for min. 70% of MQ for the remaining period, for availing the CQI Monthly incentive.**

5.2 Default in Monthly lifting requirement:

5.2.1 As detailed under para 5.1 (a),(b),(c), customers can avail the first condonation 60% for maximum 3 months and the second condonation 50% for maximum 2 months during the CQI 2526 period, any deviation in this shall be classified as **“Default”** month. Also, if a customer is availing the First condonation (60%) for more than 2 consecutive months during CQI 2526 period and/or avails the Second condonation (50%) consecutively for more than one month in CQI 2526 period and/or avails the First condonation (60%) and Second condonation (50%) for more than 2 consecutive months during the CQI 2526 period, that particular month(s) shall be considered as **“Default”** month and

- Monthly incentive(s) shall **not** be paid for the default month and
- Yearly Incentive shall also **not** be paid irrespective of the total quantity lifted in the relevant CQI 25-26 period.

5.2.2 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 are subject to surplus product availability (after meeting the demand/order of MRPL’s Active CQI Customer).

5.2.3 Customers who are defaulting in a month are **not** allowed to use any monthly condonation for the subsequent months of the remaining CQI 2526 period i.e such customers **should** compulsorily lift for min 70% of the MQ in the remaining months of the CQI 25-26 period, for availing CQI Monthly incentive.

6. Cutoff date for enrolling in CQI 2526:

- a. Customers desirous of enrolling in CQI scheme 25-26 have to send their signed confirmatory letter to MRPL indicating the Monthly committed quantity (MQ) for the supplies during the period **1st Apr’25 to 31st Mar’26** as per the enclosed format. The last date to enroll in CQI is **23.04.2025**.
- b. No further change in Quantity/Grade shall be entertained, after the cut-off date as mentioned in Para **6(a)**.

7. CQI Scheme for MRPL’s Distributors:

The minimum Monthly quantity for MRPL Distributors shall be **80 MT/m** and maximum Monthly quantity shall be **1000 MT/m**. All duly appointed MRPL’s PP Distributors are required to provide the signed CQI scheme Confirmatory Letter to MRPL.

8. Grouping:

For different entities/firm/buyer which are registered under “**MRPL’s Grouping policy**” as Group customers (GC), their enrollment shall be based on a **single CQI in the name of the Group Customer (GC) and the corresponding Group Customer Code (GCC)** and the volumes of the entities(s) which are grouped by MRPL can be combined together. The customers shall declare the details of different entities/firm/buyer which are opted for Grouping, during the appropriate window, as allowed by MRPL.

9. Terminology/Legends:

- a. CQI: Committed Quantity Incentive Scheme
- b. CQI 25-26 period : From 1st Apr’25 till 31st Mar’26
- c. MQ: Monthly committed Quantity
- d. TQ: Total committed Quantity
- e. YI: Year-end Incentive
- f. MI: Monthly Incentive
- g. GC : Group Customer
- h. GCC : Group Customer Code

10. Other Terms and Conditions:

- a. CQI scheme is to reward the loyalty of customers to MRPL and it is not a commitment of supply and/or quantity.
- b. 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 etc.
- c. MRPL’s Polypropylene pricing is dynamic and it has **no** bearing on CQI 25-26 scheme and/or Customer’s **MQ**.

- d. MRPL may announce/offer any other adhoc schemes/incentives/discounts from time to time during FY 25-26 to increase sales and though such schemes may resemble CQI and derive the MQ of customer registered under CQI 2526, those schemes are independent of the CQI scheme.
- e. Customer(s) are requested to maintain consistency, regularity in their order placements/truck placements to fulfill their committed MQ/TQ.
- f. Customer(s) are suggested to discuss with MRPL on any clarifications/queries on the CQI FY 25-26 scheme.
- g. Prices & terms and conditions associated with the sale are as applicable at the time of dispatch of the goods.
- h. Disbursement of discounts/incentives under the CQI scheme shall be on the subsequent month of the respective month/year.
- i. Customer(s) eligible to receive Yearly Incentive shall be considered as **“Active and live in CQI scheme”** and shall be given priority in supplies.
- j. MRPL’s interpretation of the CQI FY 25-26 scheme and its implementation shall be final and binding on the customers.
- k. MRPL as deemed fit, shall issue any further amendments/clarifications/corrigendum/ addendum to the CQI 2526 policy, 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.

11. Compliance and Indemnity:

- a. Buyer hereby undertakes and warrants to comply, at all times, with the applicable laws including but not limited to the Plastic Waste Management Rules 2016 as amended from time to time and notifications and directives issued thereunder (“PWM Rules”), in relation to the use of the Goods.
- b. Buyer expressly undertakes and warrants that the Goods shall not be used, directly or indirectly, in Production of banned Single Use Plastic items (SUP), listed in PWM rules.
- c. Buyers shall indemnify MRPL against the losses, claims, damages, liabilities, suits, proceedings, costs and expenses (including legal fees) arising as a result of breach of any applicable laws including the aforesaid.