



RELIANCE INDUSTRIES LIMITED  
PP Business

## PP ANNUAL PURCHASE REQUIREMENT POLICY FY 2024-25

### 1. Preamble:

- 1.1. The Annual Purchase Requirement (Hereby referred to as APR) will be applicable to all actual users/dealers for domestic sales.
- 1.2. Customer's Annual Purchase Requirement Quantity of **5 MT/Month and above** in Domestic Route will get recorded based on letter from customer (duly signed and stamped scanned copy on mail), to be received by 30th April, 2024.
- 1.3. Grouping policy shall be considered for eligibility for APR discounts. In case Group constituents change/ new group formation during 2024-25, such New Group entity will be considered for APR with the required lifting as per new group.
- 1.4. The Annual Purchase Requirement for FY 2024-25 will be applicable for the period (1<sup>st</sup> April'24 to 31<sup>st</sup> March'25).

### 2. Performance Discounts: Discounts will consist of 3 parts viz., Monthly, Quarterly & Annual Discounts.

#### 2.1. **Monthly Discounts:** Rs. 800/MT.

- 2.1.1. This discount will be applicable if Customer's minimum monthly off-take is 6.5% of the Annualized APR. Upper ceiling for this discount will be 12% of the Annualized APR.

#### 2.2. **Quarterly Discounts:** Rs. 400/MT.

- 2.2.1. The discount will be applicable if Customer's minimum quarterly off-take is 22% of the Annualized APR. Upper ceiling for this discount will be 33% of the Annualized APR.
- 2.2.2. Maximum one quarterly default allowed in a year provided lifting is equal to or more than 17% of the Annualized APR.

#### 2.3. **Annual Discount:** Rs. 300/MT

##### 2.3.1. Based on Annual MoU completion (Rs 300/MT):

The discount of Rs. 300/MT will be applicable if customer successfully completes all four quarters considering relaxation (Clause 2.2.2) or minimum 85% of the signed APR.

In case Customer's actual off take is less than the signed APR, this discount will be disbursed on a proportionate basis, subject to Customer's lifting being at least 85% of the signed APR (or if customer successfully completes all four quarters considering relaxation (Clause 2.2.2) as illustrated below:

Signed APR	: 180 MT
Actual Annual off take	: 155 MT
% Completion	: 86% (155/180)

Proportionate Annual Discount on 155 MT is Rs. 258/MT, i.e., 86% of Rs. 300/MT

Upper ceiling for Annual discount disbursal will be 110%, this will be applicable to 2.3.1.

### 3. Others:

- 3.1. All Late entrants / upward revisions (May'24 onwards) will be allowed at the start of each month with RM & RA and BM approval. All such proposals to be received at HO by 15th of every month and to be registered in CRM portal after BM approval by 20th of every month.
- 3.2. In case of new entrant/enhancement in the 2nd/3rd month in any quarter minimum quarterly requirement will be 14% and 7% respectively of the annualized APR.
- 3.3. Customers would be eligible for APR discounts on actual lifting in case of shortfall in meeting the minimum lifting criterion due to non-availability and non/part dispatch by RIL (Clause 3.4), with the approval of BH and BA. This will be applicable only to customer signing min APR qty of 15 MT/Month.
- 3.4. This criterion is applicable to all valid orders placed at Regional Office in SAP on or before 25th of the month (23rd for the month of Feb), with a scheduled delivery date on or before 27<sup>th</sup> of the month (25<sup>th</sup> for the month of Feb). This is also applicable to one-time relaxation clause of 17% for quarterly (2.2.2).
- 3.5. Only valid orders of planned grades shall be considered for default proposal for MNA.
- 3.6. Late entrants & cases where registered quantity has been revised upwards during this year shall be subject to BM approval, the revised APR will be annualized as per the following:
  - Original APR - A, Revised APR - B, Annualized Qty - C,
  - Example. Say, Original APR is to be enhanced w.e.f. August;
  - Revised APR shall be  $B = (A * 4/12 + \text{Assured quantity to be lifted in balance 8 months})$
  - then Annualized APR Qty shall be calculated as  $C = \{B - (A * 4/12)\} * 12/8$
  - 6.5 %, 12%, 17%, 22% & 33% (Clause 2.1& 2.2) criteria will be applied on C for the balance period.
- 3.7. Customer's off take to be rounded off to the nearest integer for calculating eligibility for Monthly, Quarterly and Annual discounts.
- 3.8. Price and other terms & conditions of sales operative at the time of removal of goods would be applicable.
- 3.9. Off-take from Ex-works, Ex-depot of RIL and CS Depot can be clubbed.
- 3.10. Approved Group companies (including approved satellite companies) off-take will be clubbed.
- 3.11. All grades of sector under IM / EXT / TQ / ICP / RCP, non DPPQ F&F customer and non-contractual BOPP customer under deemed export will be considered for APR scheme eligibility. However, APR discounts will be disbursed against domestic sales quantity only.
- 3.12. Non - contractual lifting of Hygiene, BoPP & ICP shall be considered for APR eligibility and disbursement.
- 3.13. The Annual Purchase Requirement will be applicable to prime and non-prime grades only. Utility, Plant / warehouse sweepings, waste and sample sales will be excluded.
- 3.14. Customers who progressively complete all monthly, quarterly conditions during the year would be assured priority in services.

- 3.15. If any material is certified by PARC/Plant for return or down gradation (to utility grade), the quantity so certified will be eligible for fulfilment of Monthly, Quarterly and Annual minimum lifting criteria. However, APR discounts will not be disbursed on such quantity.
- 3.16. This Annual Purchase Requirement will be subject to Force Majeure clause and production at RIL plants.

#### **4. Disbursement of Discounts:**

Discounts will be passed on in the form of post-sale credit notes as per the following schedule:

- 4.1. **Monthly** – By 15th of the following month, i.e., for April, disbursement will be by 15th May 2024.
- 4.2. **Quarterly** – By 15th of the following month, after completion of relevant quarter i.e., for Q1, disbursement will be by 15th July 2024.
- 4.3. **Annual** - At the beginning of next financial year, by 20th April 2025.