

**JINDAL ALUMINIUM LIMITED****REVISED PROCEDURE FOR MARKETING ALUMINIUM ROLLED PRODUCTS**

Rolled products domestic marketing Department has various functions. Depending upon functions, it is divided into three parts i.e. front office, order processing and enquiry processing. All the divisions will be under DGM(Marketing) sitting at B/F. These three divisions are as follows with broad functionality.

Business development Division-Front end Sales Team: They will generate leads from different sources like magazines, journals; internet, customers etc and will convert these leads into opportunities & orders. To facilitate our valuable customers, entire India market is divided into four zones, EAST, WEST, NORTH & SOUTH.

Depending upon the product mix, the product of the company is divided in three segments Slugs/Circles, Sheets/Coils and Foils. Slugs and Circles will be looked after by DS on all India basis. North zone (all products) will be headed by BKP. WEST zone foils will be headed by PKR and sheets /coils will be looked after by AG (reporting to VS). East and South (all products) will be looked after by VS.

Front team has a major role to play from conversion of leads to despatch of material and after sales service (if any) required by customers. They will visit respective customers and convert all leads into opportunities. On receipt of enquiry from customers, they will forward the same to enquiry processing division for formal quotation, if needed. After quotations, they will follow with respective customers and get clear techno-commercial orders and forward the same to order processing division. Order processing team will prepare OCL to check the PO and our submitted quotation for techno commercial confirmation. Then they will raise AO and will release material into production. Once material gets ready, marketing front team will arrange for balance payments so that ready material can be despatched within time. For deviation on any policy related matter, pricing, payment terms front marketing team will circulate their proposal to respective seniors who will further recommend to management for approval for any deviation.

For Dealer/Consignee/Trader separate management guidelines are given along with credit facility which needs to be strictly followed.

Enquiry Processing Division: They will prepare quotations for all the opportunities being forwarded by field team or for all enquiries received directly. They will send these quotations to concerned marketing person or to customer as per the discussions with concerned zonal field staff under copy to the concerned marketing person. The concerned marketing manager / executive will follow up with respective customer for order and are responsible for all communication. Ms.Mompi Gogoi at B/F will be responsible for sending timely quotation and Mr.Vivek Choudhary at D/F will help her in expediting the process of worksheet of new products which are to be approved by RNS and PPC. In her absence, Mr.Sanchit Khandekar/Mr.Rakesh Kumar will take on this responsibility. After comments of RNS and PPC, worksheet will be forward to DGM(Marketing) for commercial approval. This division will be headed by VS.

Order Processing Division: This division will be headed by Mr. Amit Kumar Chakraborty. Order processing team is responsible for processing of orders till despatch of material. They will process all orders and follow up with PPC for making the material ready for despatch. They have to cross check if the prices are OK as per the quotation / last supply or as per the LP. He will ensure that no particular customer is being handled by multiple persons to avoid duplication and loss to company as chances of submitting wrong prices are higher in such cases. In case of any doubt / objection, they will write to the concerned marketing person for clarification or providing management approval for deviation. They will not process any order, unless all terms are clear. In case of any issue raised by PPC regarding MOQ / off cut wastage / process loss, he will immediately inform / update to the concerned marketing person for informing or taking up with customer unless the QWS is already cleared by PPC. They will send Performa invoices to customers with copy to concern marketing field staff for collection of balance payment, so that despatches can be made in time. After dispatches, they will send dispatch details to respective customer under copy to concern marketing executive.

The zones will comprise of following territories/customers:

East: All customers of West Bengal, Orissa, entire North east, Jharkhand & Bihar.

West: All customers of Maharashtra, Goa, Gujarat and Chhattisgarh.

North: All customers of J&K, Punjab, Haryana, Himachal Pradesh, Chandigarh, Delhi & NCR, Uttar Pradesh, Madhya Pradesh, Rajasthan, Uttarakhand and Chhattisgarh

South: Karnataka, Tamil Nadu, Kerala, , Andhra Pradesh, Telangana.

In case any customer of other zone is presently being handled by another zone, it will continue as per the present practice so that no loss of sale happens. However, in case of new lead, enquiry to be passed on to the respective zone head for his decision.

### **COMMON GUIDELINES:**

#### **Handling of Enquiries:**

1. All enquiries will be processed at B/F by Ms.Mompi Gogoi and no marketing person should send quotation directly to any new customer on their own. For new product she will take technical approval from RNS, PPC and subsequently Commercial approval from DGM(Marketing).
2. On receipt of enquiry, she will properly check the enquiry and will make quotation work sheet (QWS) as per the laid pricing and policy of the company. For regular product quotation, prevailing LP needs to be considered. On the LP, extra charges for odd-width, alloy, annealing etc will be added as per procedure. For regular items as margins are already considered in LP, prices are to be quoted as per LP only, if not specified (to increase) by concerned front marketing person which they may need for negotiation purpose. She must ensure that quotations of the regular product enquiries which are received before 3.00 pm are sent on the same day itself. For new product, she will circulate QWS to RNS (for technical clearance and for any additional process cost), PPC (for MOQ and extra price loading related matters for new development). For expediting the QWS at D/F, Mr.Vivek Choudhary will support Ms.Mompi Gogoi for circulating the paper and taking consent of technical team. Finally the QWS will be signed by VS for commercial approval after checking the remarks of RNS and PPC. After getting approval, she will send reply/quotation within 48 hours to concerned marketing person. Wherever possible, extra price can be loaded by marketing staff for generating the extra revenue. Once the quotation is prepared, same will be sent to concerned marketing person or to customer as per the discussions with concerned zonal field staff under copy to concerned marketing person. Concerned marketing manager/executive will follow up with respective customer for order & are responsible for all communication.
3. It will be the responsibility of the respective Marketing Managers/Officers to ensure that their customers have received the quotation within the specified time frame and enquiry was handled correctly.
4. It is duty of the respective Marketing Manager/Officers to pursue with customers directly or through branches/resident representatives and get confirmation over the quotation submitted. In case the order is not awarded to us, proper reason should be obtained by the concerned Marketing Manager and accordingly proper strategies should be made to ensure no business loss occurs in future. According to the market scenario, necessary proposals for revision in prices/terms to be submitted to the management, so that management can give suitable approval to get the order.
5. It is responsibility of the concerned Marketing Manager/ Officer to get acceptance from the customers on price revision as and when it is made applicable as well as any other clarifications in the order.
6. Zonal heads will ensure that entire area of the country should be covered and customers are identified through out so that the total requirement and potential of the customers is known. Accordingly regular tour should be planned by Marketing team to potential areas and report should be submitted to HOD (Mktg) and Vice President(Commercial).

7. All zonal heads should achieve sale target given by management. They must achieve monthly 2900 MT in totality excluding export of 400 MT. Each zone/persons responsibility is as below:

	(TPM)
(a) South and East	: 1150 (VS)
(b) North	: 600 (BKP)
(c) West	: 500 (AG)
(d) Foils	: 250 (PKR)
(e) Slugs/Circles	: 400 (DS)
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<b>Total</b>	<b>: 2900</b>

8. All Zonal heads must focus on actual users/OEM and must increase the sale of such customers for increasing the sale realization of the product. Should also keep watch on the competitor activities and report to the Management so that we counter the same and ensure that no existing customer is lost.

### **Front end sales team:**

This is the focus area as decided by Management and efforts to be put in for marketing of our product to direct customers and actual users / consumers. Following guidelines are given to develop business in this segment in respective zones:

1. All zonal heads should focus to increase our presence in their respective zonal markets and increase direct customer base with the help of branches and resident representatives at various locations and by making tours. They should also study lost customers and will make proper strategies to bring them back.
2. All zonal heads/DGM/AGM/Managers/Marketing Officers should get our brand approved and registered in all the Govt.Organisations like BHEL, State Roadways, NTPC, BPCL etc so that we get enquiries from these PSUs.
3. All zonal heads should focus on special products like TLL, multi-slit, industrial roofing and give special focus of Insulation and Cladding applications since chances of getting more margins are high in these products.
4. RNS/ONU (Production & Quality Team) should visit the major customers time to time to understand their requirements on quality aspects so the good quality material could be delivered to the customers on time. This will boost the confidence level of the customers in respect of quality & production requirement. They can also attend to any technical queries or complaints during their visit
5. In case front marketing team is not getting order at quoted prices, It is their responsibility to take deviation from our standard quotation by taking proper management approval. They must specify the reason for not getting order at our quoted price while circulating the proposal. Approval must be by VP(C) + of ED/MD.

### **Pricing:**

1. Prices for existing products are to be quoted as per the guidelines given in the procedure. For quoting the basic price, prevailing LP needs to be considered. As margins are already considered in LP, additional price loading to be done only if specified/requested by concerned marketing person for negotiation purpose. Once the supply is made, prices should be followed / offered by adjusting Nalco increase/decrease only. No one can reduce price on their own even if the selling prices are above LP. In case any change or reduction is needed by concerned marketing persons to convert enquiry into order, proper proposal to be circulated through zonal head to VP(C) + ED/MD. Only after their approval, prices can be changed.

2. Prices for new product which are not covered under price list to be quoted with approval of VP(C) and ED/MD after having detailed costing done by costing department in consultation with RNS, PPC and VS.
3. Cash discount of 2% can be offered if the customer is making 100% payment before dispatch of material.
4. **Quantity discounts** can be given on a selective basis for lifting above 5 MT in a calendar month at following rates:
  - Less than 5 MT a month - Nil
  - Between 5 and 10 MT in a month - Re.1/- per kg
  - Between 10 and 15 MT in a month - Rs.2/- per kg
  - More than 15 MT in a month - Rs.3/- per kg

This will not be applicable to existing customers. In case needed, proper management approval should be obtained. For new customers, the discount slabs can be offered only if the price offered to customers is having the desired margins. In case the realization is going less than LP by offering discount, prior approval must be taken from VP(C) and ED/MD.

5. All prices will be subject to Price Variation Clause on the date of delivery. At the time of price change i.e. increase or decrease in price of raw material by primary producers, can be made effective as per guidelines mentioned below:
  - (a) The revised price whether increase/decrease will be applicable from the day it is made effective by NALCO or as per the management approval.
  - (b) Increase in Price will be applicable for all the materials lying in readiness.
  - (c) However, when the price is reduced and material is lying in readiness, beyond 5 days, in such cases, benefit of price reduction will not be given to the customer, since customer is at fault in not lifting the materials timely.
  - (d) Where ever we have given intimation about materials readiness to the customer and payment is received on the date of price change or on the next day, in such cases, materials can be supplied at the previous price (i.e. without increase). It has to be ensured that payment was sent by the party before they came to know of the revision of prices. VS will take approval of such cases from ED/MD before supply.
  - (e) In some cases customers send payment before price revision, but delayed in sending road permit/CT-3/CT-1, or placing the vehicle due to which material cannot be dispatched to the customer. In such cases, if customer sends road permit/CT-3/places vehicles within 3 days from the date of price revision, material can be supplied at old price, without increase. Otherwise new rates should be charged.
  - (f) In case customers delay lifting materials lying in readiness, by 15 days and during this period there is price increase & decrease also. In such cases we should not pass any reduction, but to consider only price increase.
  - (g) Some times 100% payment is collected on the basis of tolerance PI, expecting materials will be cleared urgently, by the time materials comes to readiness, there is a price decrease and customer claims benefit of the same, in such cases approval from Zonal Head and VP(C) to be taken for passing on the reduction, on case to case basis. On the contrary, if 100% advance is available and the price is increased, material can be supplied at old price.
  - (h) Order on fixed prices can also be taken with prior approval of ED/MD.

### Payment terms/Despatches:

1. No insecure credit to be given to customer without assessing the potential. For any type of credit, CMCL to be approved with proposal of zonal head and recommendation of VP(C) and approval of ED/MD.
2. For giving credit beyond 30 days interest costs @12% should be added in the price.
3. Credit can be extended preferably up to 30 days and in exceptional cases up to 45/60 days with interest @12% for the additional period beyond 30 days. Credit up to 90 days can be extended in special cases only against LCs/ Bank Guarantee, for which during calculation of MSP Interest above 30 days to be considered.
4. Interest prescribed for credit period exceeding 30 days rate should be loaded in price while quoting.
5. Zonal heads must keep reviewing the credit facility extended to customers and if any customer is problematic or not following the terms, their credit facility must be taken away.
6. For delay in receiving the payments beyond the agreed credit period, overdue interest 15% p.a. shall be charged after taking into consideration grace period as mentioned below: If the interest needs to be charged below 15% necessary approval from management need to be obtained.

Sl. No.	In case of	Period of Credit / Grade
1	Local parties/direct documents to outstation parties/documents through branch/direct documents against bank guarantee	30/45/60 days credit with 5 days internal grace
2	Documents through bank/against irrevocable letter of credit	30/45/60 days credit with 10 days for transit period

7. In case of delay beyond the above period, interest will be charged from 31st/46th/61st day, in case of Letter of Credit if the customers does not agree to bear all the bank charges, we can agree to bear our bank charges and the customer should bear their bank charges. In respect of PSU we should add interest of 90 days in the prices @12% PA + Re.1.00 for bank charges along with overdue interest charges depending upon our past experience with customer in getting payment. These are approximate charges, care should be taken while submitting quotation and actual extra cost should be recovered by adding in the price so that there is no loss to us.
8. For PSUs like BHEL, and other Government companies, if they are not agreeable for our payment terms, we can offer 95% payment against proof of despatch / inspection and balance 5% within 30 days from the date of receipt of material at their end may be accepted. However, rates must be quoted with proper loading to recover interest loss due to delayed payment and bank charges as mentioned above.
9. Advance payment before despatch of material where cash discount is allowed should be accepted by way of DD/pay order/NEFT/RTGS. For major and regular customers we may accept cheque also and for outstation customers we can accept cheques payable at par.
10. In case the cheque is returned / bounces we have to reverse the cash discount allowed and also charge other bank charges and interest so as to recover our cost. In few cases for regular customers who have never defaulted on payments earlier and this is one off case we may consider not to reverse the cash discount as a special case subject to approval by Zonal Head + VP(C) but to charge overdue interest from the date of invoice till the date of receipt of payment. In case the customer defaults again then we should reverse the cash discount and also recover other losses from them and insist for pay order/DD/NEFT/RTGS for future supplies.

11. In case of payments against L/C, clean credit /bank guarantee etc. material against the same should be despatched immediately once the material is ready.
12. In case of payments where the party will avail CD, the material readiness will be sent and proper follow-up shall be made for collection of the payment and despatch of material.
13. Wherever materials getting dispatched against 2% CST against c-form, necessary deposit for differential tax can be kept with us if possible with interest for 1 year. If the dispatch needs to be done without deposit, zonal manager approval needs to be obtained.
14. Timely and frequent follow-ups should be done to collect sales tax forms timely. Marketing department HOD should allot this job and follow with team for timely collection of forms.

#### Quality Complaints:

1. First of all we should try and ensure that there is no quality related complaints in our products as this spoils image of the company, also order processing division should inform PPC of specific requirements of customers vide AOs. Maximum relevant inputs should be given while releasing AO for production to avoid errors.
2. Once we receive the complaint, it should be acknowledged to the customer immediately by concern manager (marketing) that we have received the same and the same is under analysis and we shall revert you shortly. He will forward this complaint for registration thru MCR to Quality department under copy to SKP.

#### Return of material:

No material to be taken back unless MCR is circulated and having remarks of Production + QA + SKP + AG and finally approved by ED.

#### Amendment in Price List:

Any amendment, if required is to be approved by ED/MD

#### Packing Charges:

PACKING CHARGES ADDITIONAL AS APPLICABLE WILL BE AS UNDER FOR ALL				
Sl.No.	Packing Type	Thickness	Bundle Weight	Packing Charges
1	Standard packing HDPE with polyester strap and corrugated paper on both side. (no interleaving)	All sizes	250 -350 kg	Re.1.00/kg
2	HDPE with poly interleaving, edge board, corrugated sheet on both side	1mm & above	250-350 kg	Rs.2.50/kg
	- do -	- do -	500 kg	Rs.2.00/kg
	All as above + wooden pallet.		1000 kg	Rs.2.00/kg
3	HDPE with poly interleaving, edge board, corrugated sheet on both side	Below 1mm	350 kg	Rs.3.00/kg
4	Sheets with masking film	Below 2 mm	250 – 350 kg	Rs. 4.00/kg
5	Sheets with masking film	Above 2 mm	250 – 350 kg	Rs. 3.00/kg

In case any customer is taking jumbo coils in above 1500 kg rolls, cost of cardboard core will be inclusive in basic price however, if coil weight is below 1500 kg, Rs.1.50 extra will be charged.

**Standard Widths:**

If the party is asking for any other size than the standard size, either bigger or smaller, extra Rs.2/- per kg will be charged to compensate melting loss of the off cut coil.

The following will be considered as standard width

(i) Between 1500 mm and 1550 mm

(ii) Between 1200 mm and 1250 mm

(iii) Between 900 mm and 950 mm

(iv) In sheets: 1300 mm, 1310 mm, 1321 mm, 1372 mm & 1380 mm to be considered as standard widths.

(v) In Coils: 305 mm, 457 mm, 610 mm, 762 mm to be considered as standard widths.

**Minimum Order Quantity (MOQ):**

If the product is in our regular range and is running item as per dealer segment we can give 250 kg also. In case the alloy is regular but the product is special we need to consider 3-4 MT as MOQ. In case of any special alloy, marketing needs to take confirmation from Mr.RNS along with pricing by circulating the proposal through DGM(Marketing)/VP(C) and ED/MD.

**Alloy Surcharge:**

Except for 8011 / 3105 alloys, additional Alloy surcharge to be considered extra as below -

<b>Alloy</b>	<b>Surcharge</b>
1100 /19000/ 1200	Rs.2.00 per kg
1050 / 1060 / 1070	Rs.5.00 per kg
31000 / 3003	Rs.6.00 per kg
5005	Rs.15.00 per kg
5052	Rs.20.00 per kg

**Annealing Charges:**

For sheets and coils Rs.2.00 per kg to be charged extra whenever customer is demanding soft ('O') temper towards annealing of the product.

**Multi-slitting charges:**

For multi-slitting machine products, the following will be charged extra above LP. This include aluminium core of 152 mm.

10 mm to 50 mm	-	Rs.10/- per kg
51 mm to 100 mm	-	Rs.7/- per kg
101 mm and above	-	Rs.5/- per kg

**Profiling Charges:**

For corrugation (of roofing sheets), Rs.3.00 per kg should be considered extra above LP on account of profiling.

**Tension Levelling Charges:**

Rs.2/- per kg extra should be considered above LP on account of tension levelling charges

**General Guidelines:**

1. In case of Defence, Government Orders, Tenders and other fussy customers, all commercial and technical terms should be cleared and accepted by them in writing before the order is taken up for production.
2. Material should be offered in commercial tolerances specified as per IS. If tighter tolerances are required, Production and QA Department should agree for the same and we should quote with slightly higher margins for such items, if possible.
3. All Marketing Executives going on tour should send their tour reports to zonal manager after coming from tour.
4. All dealers and actual users will be looked after properly by the marketing team.
5. Zonal Heads will ensure maximum economy while doing correspondences with customers and e-mails to be used maximum wherever possible.
6. Regular visits/tours to be planned by concerned Zone In charges. He will ensure that every marketing team member should have minimum 4-6 days customer's visits in a month in his respective territories.
7. Sales tax forms to be collected in advance with order as far as possible or while routing the documents through bank. For major customer of repute and PSU and other government customers who do not give Blank Forms we may collect at the end of the each quarter as a special case. In case of supplies against Form H/ I for export requirements of the customers we should ensure that all the required supporting documents are collected and there is no Excise sales tax liability on us. In case the documents are not received with the order or will be submitted after the export of the material by the customer then in such cases we should keep sufficient amount with us to cover for the tax liability.
8. For SEZ supplies, ARE-1 must be collected within 40 days from the date of invoice and ARE-3 must be collected within 90 days from the date of invoice. In case of failure, duty along with interest will be debited to respective customer's account.
9. All requests for refund of credit balance should be handled by VS. Concerned marketing person should circulate the request to Mr.Amit Chakrabarty (for checking if any order/material is in production + Accounts (for liability of any statutory form like C/H/I).
10. Marketing department should strictly follow the above guidelines and ensure that there is no deviation or lapse. In case of any lapse / mistake report to be given by respective zonal head to DGM(Marketing)/VP(C) and ED. For any delay or lapse on the part of any person, action must be taken on him to avoid repetition and in the interest of the organisation.

**Pragun Jindal Khaitan**

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