

ANNUAL

INCENTIVE SCHEME

FOR DOMESTIC SALE OF PRODUCTS
FY 2024-25

Ref No : MA-0000008791

Swathibuildtech

DISTRIBUTION CHANNEL: OEM



This **ANNUAL INCENTIVE SCHEME FOR DOMESTICE SALE OF PRODUCTS FY 24-25** (hereinafter referred to as '**Incentive Scheme 24-25**') shall govern the annual incentive scheme policy and guidelines for domestic Sales of Products by JSW Steel Ltd. and JSW Group Company as defined herein below to all non-retail Buyer i.e. OEM Buyer, Project, Auto-vendors etc., achieving the agreed annual sales quantity and shall supersede and override the previous incentive schemes.

1. Definition

- JSW or JSW Steel shall mean JSW Steel Ltd. a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at JSW Centre, Bandra Kurla Complex, Mumbai 400051;
- JSW Group Company shall mean and include JSW Steel Ltd., JSW Steel Coated Products Ltd, Bhushan Steel and Power Ltd, or any of their subsidiaries, affiliates, group company, sister concern, joint venture, associate companies.
- Seller or Sellers shall mean either JSW Steel Ltd. or JSW Steel Coated Products Ltd. Bhushan Power and Steel, or any of subsidiaries, affiliates, group company, sister concern, joint venture, associate companies and all steel producing and processing companies of JSW Steel and Job-works, conversion agents supplying the products to buyers as the case may be.
- Primary Buyer means M/s. **Swathi Build Tech Private Limited**, a company incorporated under the Companies Act, 1956, having its registered office at BESIDE UNICENT SCHOOL H NO 1-60/5/1 SIVARAM RECIDENCY BALAJI NAGAR MIYAPUR HYDERABAD, Telangana;
- Buyer or Buyer Group shall mean Primary Buyer or its sister concern, group entities, combined buyer and locations mean and include all units / locations / entity of Primary Buyer duly approved by JSW Steel as per Annexure – A attached hereto, which are qualified to be combined with Primary Buyer to receive incentive for sale of Products, under this Incentive Scheme 24-25.
- Products mean and include designated Steel Products manufactured and supplied by JSW Steel and JSW Group Company and more particularly includes the products listed below in Table-1

2. Effective Date and Validity

This Incentive Scheme 24-25 shall be effective from **April 1, 2024** (Effective Date) and will be valid for the period of 12 months i.e. ending on **March 31, 2025**.

The Incentive Scheme 24-25 shall be applicable and binding only if signed and submitted by Primary Buyer and all the entities of the Buyer Group, qualified to be combined with primary buyer to the Regional Manager / Regional Sales Manager of JSW Steel Ltd. or JSW Group Company, as the case may be, at its registered office on or before 15th June, 2024.

3. Agreed Annual Sales quantity required to be achieved by the Primary Buyer or Buyer Group for qualification to receive Incentives

TABLE-1

Sr. No	Product Family	Quantity (MT)	Volume Incentive (Rs/mt)	Consistency Incentive (Rs/mt)	Loyalty (Rs/mt)	MSME (Rs/mt)
1	A. HR/CRFH	3000	150	100		
2	C. Coated - GP/HRGP - C1	2000	100	100		
3	C. Coated - GC/GL/GLC - C2	600	225	100		
4	C. Coated - PPGI/PPGL - C3.1 Brand - Everglow, Coloureon+, Coloureon, JSW	2500	700	100		
	Total	8100				

4. Incentive Payouts

TABLE-2

Sr. No	Incentive Types	Payment Schedule
1	Volume Incentive (All Product Family)	Half Yearly / Annually

2	Consistency Incentive	Annually
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5. Qualification Criteria for Incentives

On successful achievement of the product wise signed annual sales quantity herein by the Primary Buyer or Buyer Group under this Incentive Scheme, subject to compliance to all terms and conditions and the qualification criterion as specified herein, Primary Buyer shall be qualified for applicable incentive(s) as provided under Seller's Incentive Scheme 24-25. The details of the terms and conditions for the qualification of applicable Incentives and its payment schedule are given as under:

The following Incentives shall be applicable as per qualification criteria and conditions given below:

Sr. No	Incentive	Qualification Criteria
1	All Incentive	Common Qualification Criteria - Payment of all incentive shall be subject to 100% achievement of total annual quantity signed for each of the Products as per terms defined in Annual Incentive Scheme 24-25. - Original Signed quantity can be enhanced between 1st-15th October, 2024. All Annual Incentive shall be applicable on enhanced* quantity and Quarterly Incentives shall be applicable on Original signed quantity before enhancement, if any. Post enhancement, the Quarterly incentives shall be applicable on enhanced quantity for the 3rd and 4th quarters. (*Original signed quantity is the signed quantity without any enhancement; Enhanced quantity is the subsequent increased quantity over the Original quantity). - Maximum Payment of all incentives shall be for total quantity lifted, with a cap of 120%, of the signed quantity.
2	Volume Incentive (Coated Product Family)	Qualification For Payout Common Criteria as stated herein above is applicable for all Incentives - Volume Incentive rate once fixed in this Incentive Scheme 24-25 (before quantity enhancement, if any) shall remain fixed for entire period irrespective of subsequent quantity enhancement. - Coated Product Family (C1, C2, C3 and C4) : For qualification of payout customer has to complete monthly min 6% prorated signed volume with exception of one month where customer can lift min upto 5%. This exception is applicable for 1 month each quarter (within first 3 quarter) with non consecutive month, with no exception in Quarter 4. - 80% of Volume Incentive accrued up to 30th Sept'24 (i.e. for H1 Period) shall be paid after completion of Q2, subject to successful completion of prorated 50% of MOU Quantity. This is payable in the first month of Q3. Pay-out for this shall be limited to 50% of signed original MOU quantity. - Differential of Volume Incentive shall be payable at year end after completion of 100% signed volume for product family.
3	Volume Incentive (All Product Family Except Coated)	Qualification For Payout Common Criteria as stated herein above is applicable for all Incentives. - Volume Incentive rate once fixed in this Incentive Scheme 24-25 (before quantity enhancement, if any) shall remain fixed for entire period irrespective of subsequent quantity enhancement. - For qualification of payout customer has to complete min 20% quarterly prorated signed volume with exception of one quarter (within first 3 quarter) where customer can lift min up to 18%, with no exception in Quarter 4. - 80% of Volume Incentive accrued up to 30th Sept'24 (i.e. for H1 Period) shall be paid after completion of Q2, subject to successful completion of prorated 50% of MOU Quantity. This is payable in the first month of Q3. Pay-out for this shall be limited to 50% of signed original MOU quantity. - Differential of Volume Incentive shall be payable at year end after completion of 100% signed volume for product family. - Half yearly pay out is not applicable for product family E.

Qualification For Payout		
4	Consistency Incentive	Common Criteria as stated herein above is applicable for all Incentives. - Shall be subjected to 22.5% quarterly pro-rata achievement of signed quantity for each product & 21.25% with lean period quarter. Monthly MOU achievement shall be minimum 7.5% for each month & 6.25% for lean month period. - Lean Period would be max 2 non consecutive months during the MOU period and max 1 month during any quarter. - Consistency incentive is explicitly based on monthly/quarterly performance and payable based on the product wise achievement. - Consistency Incentive is payable Yearly and subject to 100% yearly volume achievement.

6. General Terms and Conditions

1. Incentive Scheme 24-25 shall be applicable for all Prime / NCO (including non-Prime) sales and shall exclude quantities sold under auctions and material returned under complaints / disputes.
2. S1 category (non-Prime) of material from "Electrical Steel" Product Family "D" shall be excluded for qualification and actual payout of incentives.
3. JSW Steel or relevant JSW Group Company, as the case may be, reserves the right of supplying material from any of its work locations and/or stockyards and/or Job work/Conversion-agent and/or service centers and/or Consignment agents and/or affiliated and/or joint venture companies.
4. Dispatch by Rail, Road, Sea or Multi-Modal transportation shall be at the option of JSW Steel or relevant JSW group companies.
5. There shall be single Incentive Scheme 24-25 signed for each Primary Buyer and Buyer group for all products the Buyer wants to buy. A single Incentive Scheme 24-25 is signed for combined quantity for Primary Buyers' Group's multi-locational units and/or qualified Buyer Group. In such case, quantities lifted by all the qualified units / approved Buyer Group would be considered for the Incentive.
6. Subsequently quantity can be enhanced subject to mutual formal agreement between 1st to 15th October, 2024 and subject to terms and conditions of this Incentive Scheme 24-25.
7. In case the Buyer or any Buyer Group is found indulged in corrupt, fraudulent, collusive, unethical practices or misrepresentation, misconduct, negligent, indiscipline or unruly behavior and conduct, which is detrimental to the business interest, security, safety or reputation of JSW or JSW Group Company, then, JSW Steel shall immediately terminate, withdraw, rescind this Incentive Scheme 24-25 either for such defaulting Primary Buyer or the entire Buyer Group, without any prior notice. In case of termination, all associated unpaid incentives shall also stand forfeited and the Primary Buyer and each entity of Buyer Group shall be liable to pay back the incentives already paid / credited under this Incentive Scheme 24-25 to JSW Steel or relevant JSW Group Company as the case may be, in full and total immediately with 18% interest p.a.
8. JSW Steel reserves the rights to withdraw, terminate, rescind, cancel this Incentive Scheme 24-25, at its sole discretion, with prior written notice of 7 days to Primary Buyer. Any notice issued to Primary Buyer shall be deemed to be notice to the Buyer Group.
9. JSW Steel has a right to terminate this Incentive Scheme 24-25, in the event of any default or breach committed by the Primary Buyer or any entity of Buyer Group under this Incentive Scheme 24-25 or the Primary Buyer or any entity of Buyer Group has adjudged bankrupt or a resolution/order is passed for dissolution of the firm/ Commencement of proceedings under Insolvency and Bankruptcy Code.
10. In case of termination / withdrawal of Incentive Scheme 24-25 for Primary Buyer, all incentives, benefits extended to Buyer Group under the Incentive Scheme 24-25 shall also stand withdrawn immediately.
11. In the event of any amount becoming recoverable by Seller from the Primary Buyer or Buyer Group under this Incentive Scheme 24-25 or any other Agreement or Purchase Order, JSW or relevant JSW group companies as the case may be, shall be entitled to recover such amount by deducting in part or in whole from any sum payable or thereafter becoming payable to the Primary Buyer or Buyer group by JSW or JSW group company, for any set-off or counterclaim, either under this Incentive Scheme 24-25 or under any other agreement or Purchase Order or other transactions with the Primary Buyer or Buyer Group. In the event that the amount so deducted by the JSW or relevant JSW group company is not sufficient to cover the full amount recoverable by JSW or JSW group company, the Primary Buyer or Buyer group shall on demand by JSW or relevant JSW group company make immediate payment of such remaining amount to JSW or relevant JSW group company. For the avoidance of doubt, both Primary Buyer and each entity of Buyer Group shall be jointly and severally responsible for any recovery under this Incentive Scheme 24-25.
12. This Incentive Scheme 24-25 shall be interpreted, construed and governed in accordance with the Laws of India and is subject to exclusive jurisdiction of courts at Mumbai alone.

For and on behalf of Buyer
M/s Swathi Build Tech Private Limited

Sign here

K Sambasivarao
K Sambasivarao (Aug 7, 2024 14:47 GMT+5.5)

Name:
Designation:

For and on behalf of Seller
JSW Steel Limited

Sign here

Name:
Designation:Regional Manager/Regional Sales
Manager



ANNEXURE - A

Sample Details of Buyer Groups executing/accepting this Incentive Scheme 24-25

SR No	Name of the Corporate Group	Association	Address	GST Number	JSW SAP Buyer Code
1	Swathi Build Tech Private Limited	A - Own Company	BESIDE UNICENT SCHOOL H NO 1-60/5/1 SIVARAM RECIDENCY BALAJI NAGAR MIYAPUR HYDERABAD, Telangana	36AALCS7320R1ZM	0040037169
2	SWATHI BUILD TECH GROUP (Cor)				

Disclaimer : Submission of documents establishing relationship between Primary Buyer and Buyer Group entities is mandatory to avail incentive scheme 24-25 benefits as Combined Buyer Group.

