



INTER OFFICE MEMO

OUR REF: IOAOD/LUBES/LRS/01

DATE: 03RD April 2024

POLICY CIRCULAR REFERENCE HO/LUBES/RLS/2024-25/01
SUB: INCENTIVE SCHEME FOR CHANNEL PARTNERS FOR THE FINANCIAL YEAR 2024-25

The following incentive Schemes are sanctioned by management for Servo Stockists and Resellers in L-RS for achieving targeted sales and for improving their performance in market penetration during the financial year 2024-25. The details are given below.

A. Incentive scheme for Stockists:

1. Trade Discount and Cash discount

Considering margin retention and promoting new generation grades, it is decided to keep the ongoing differential trade discount for Stockists in reseller channel. For this purpose, the products are grouped into four major categories namely,

- 1) **Gold Category**
- 2) **Silver Category**
- 3) **Bronze Category**
- 4) **Green Category**
- 5) **Industrial Category**

List of grades under different category are given below:

Product Category	Gold	Silver	Bronze	Green	Industrial
Grades Name	Servo Pride Xtra Series, Servo Pride NXT Series, Synthetic Oils, Servo Futura Series, Servo Brake Oil Dot 4, Servo Supermile Plus, Servo 4T Xtra Series, Servo 4T HD, Servo Synth Plex, Servo Kool Plus, Blackbird X, Hypersport F5	All other grades not included in other Four Category	Servo Gas Engine Oil, Servo Super Pump SO 40, Servo Fleet series	Servo 4T Green, Servo Tractor Green, Servo Raftaar, Servo Greenmile	All Industrial Grades

Proposed Stockist discount under different category is as under:

SI No.	Category	Criteria/Incentive
1	Bronze	5.0% of List DLP/NTV
	Silver	5.5% of List DLP/NTV
	Green	7.0% of List DLP/NTV
	Gold	7.0% of List DLP/NTV
	Industrial	6.0% of List DLP/NTV
2	Cash Discount	2.0% on (Discounted RSP/NTV)

The proposed Stockist discount shall be applied on list DLP for MRP based grades and on list NTV for Non-MRP based grades. Cash discount shall be applied on discounted RSP/NTV price.

2. Servo Early Bird Incentive

Stockist will be given an incentive for the primary sales volume achieved during the month at different interval. Incentive as per the slab given below will be paid to stockist on the total volume purchased during the month excluding Servohydrashakti 68

Period of Month	Incentive Rs/L	Incentive Payable on
1 to 15th	1.00	Primary Purchase 1 to 15th
16th 20th	0.75	Primary Purchase 15th to 20th
21st to 25th	0.50	Primary Purchase 21st to 25th
26th to month end	0.00	

3. Servo Achiever Scheme

Stockist will be eligible for this incentive on achievement of monthly target and giving growth over the target. State offices shall give the monthly sales target not lower than monthly base for stockist and considering the minimum growth%.

Incentive will be paid on total monthly primary sales volume achieved excluding Servo Hydrashakti 68. DEF is neither considered for achievement nor for incentive payable

S.No	Criteria	Criteria Applicable on	Incentive (Rs/Lit or Kg)	Incentive payable on
1	For achieving Primary Sales Target*	Total Primary Sales volume uplifted during a month	1.50	This incentive is applicable on Primary Sales Volume during the month excluding SKUs of Servo Hydrashakti 68
2	Growth over target for primary sales volume (Rs. 0.20 per ltr for growth of every 1% and maximum upto Rs. 0.60 per ltr .	Total Primary Sales volume uplifted during a month	0.60	

4. A) Servo Performer Scheme

Stockist will be given an incentive for achieving the quarterly target and achieving certain key performance parameters. State offices shall give the quarterly sales target not lower than quarterly base for stockist and considering the minimum growth%.

Incentive will be paid on total quarterly primary sales volume achieved excluding Servo Hydrashakti 68. DEF is neither considered for achievement nor for incentive payable

S.No	Criteria	Criteria Applicable on	Incentive (Rs/Lit or Kg)	Incentive payable on
1	For achieving Primary Sales Target*	Total Primary Sales volume uplifted during the Quarter	1.40	This incentive is applicable on Primary Sales Volume during the Quarter excluding SKUs of Servo Hydrashakti 68
	Growth over target for primary sales volume (Rs. 0.20 per ltr for growth of every 1% and maximum upto Rs. 0.80 per ltr .		0.80	
2	For achieving target of no of Net new Counters addition during the Quarter (Bazaar/Workshop/ Garages/ Nayara RO)(Counters with sale of Min 120 L /Quarter) (Net New counter addition =Counter billed during the quarter of 2024-25 - Counter billed during the Apr'23 to previous quarter of claim). Net new Counter addition target; For SSR: 15 per Quarter and for GSS: 5 per Quarter > 100 – RS. 0.20 PL		0.20	
3	Stockist bonus scheme: For achieving Primary volume during the quarter: Stockist: Godown is in X category of city- Rs. 0.75 PL Y Category of city – Rs. 0.50 PL Z category of city- Rs. 0.25 PL	For getting this incentive, SSR/GSS has to achieve 95% of the target during the quarter.	0.75	
4	For achieving growth in Gold grade sales during the quarter: > 20 % - Rs. 0.20 PL, > 10-=< 20% - Rs. 0.10 PL		0.20	

Note:

- City classification: X Class, Y Class & Z class: List enclosed as annexure A.
- Stockist godown location as per IOC approval will be considered.
- To avail this scheme, Stockist has to achieve 95% of target or actual base whichever is higher on quarterly basis.
- Definition of new counter: For Evaluation of Q1 - 2024-25 - Counter who has not taken the product during April'23 – March'24. For Evaluation of Q2 - 2024-25 - Counter who has not taken the product during April'23 – June'24. For Evaluation of Q3 - 2024-25 - Counter who has not taken the product during April'23 – September'24. For Evaluation of Q4 - 2024-25 - Counter who has not taken the product during April'23 – December'24

B) Grease bonanza scheme:

Stockist will get special incentive on the upliftment of small packs of Greases (Grease MP3/ Gem RR3/ Long Life Grease & Grease Miracle) on quarterly basis. Detail of the scheme is given below:

S.No	Criteria	Incentive (Rs/Lit or Kg)	Incentive payable on
1	For achieving Primary Sales growth of specified grease in small packs: > 25 %	15	This incentive is applicable on Primary Sales Volume of small packs of Greases (Grease MP3/ Gem RR3/ Long Life Grease & Grease Miracle)
2	For achieving Primary Sales growth of specified grease in small packs: < 25 % to > 15%	10	

5. Servo Champion Scheme:

Stockist will be eligible for incentive only on achievement of target on annual basis. This incentive is applicable on Annual Primary Sales volume excluding Servohydrashakti 68. DEF is neither considered for criteria achievement nor incentive payment.

S.No	Annaul Performance	Incentive (Rs/Lit or Kg)
1	Achieving Annual Primary Target	1.00
2	Achieving Annual Secondary Target	0.30
3	Achieving annual bazaar sales target	0.20

6. Ex-MI Incentive Scheme

This scheme will help stockist & IOC in catering major OEM & Fleet customer by offering competitive rates and timely supply. It is proposed to offer a variable Ex-MI incentive scheme as given below on relative position of stockist location (distance) from plant/ CIP

Details of Ex-MI scheme

- Ex-MI Supply of products from plants (**LBP/SCFP/LMT/ CIP**) to Stockist for all SKUs of 26 liter and above pack size only from Apr'24 to Mar'25.
- LSE / RCL has to ensure that the product uplifted by Stockist under this scheme should be unloaded in Stockist godown & if any deviation found then suitable action should be taken against the Stockist.
- Variable Ex-MI incentive shall be applicable to stockists based on relative distance of Stockist location from **LBP/SCFP/LMT**. The details are given below.

Sr. No.	Category	Km Slab	26/50/210/182 L/kg
1	One way distance from the plant to Stockist Location from Plant/CIP	Upto 100 KMs	2
2		> 100 TO 250 KMS	3
3		> 250 TO 500 KMS	4
4		> 500 KMS	5

Modalities for posting Ex-MI incentives through SAP

- A Valid **SAP contract** need to be created for all Ex-MI based supplies from plant.
- The Ex-MI discounts can be maintained against “**Contract – Material**” combination with suitable validity date.
- **Maker** feeds the applicable Ex-MI incentive using T-Code **VK-11** & Cond Type **ZTSB**.
- **Checker** shall check the incentive amount fed by Maker and change condition from “Block to Release” using T-Code **VK-12**
- It must be ensured that the invoice against **Ex-MI** supplies contains only discounts under **ZTRV, ZTR1, ZTR2, ZCON, ZSSD** and **ZDCB** in addition to above mentioned **ZTSB**. No other discounts shall be allowed on the invoice.

B. Incentive scheme for Resellers:

The schemes will be applicable for reseller segment. The detailed schemes are as below.

1. Reseller Performance Incentive: Applicable for IOC RO, Bazaar & Nayara RO

Under this scheme resellers will be paid incentive based on their quarterly performance as per detail shown below.

Slab on Reseller Sales volume during a Quarter (Lit)	Vol Incentive (Rs/L)
Less than 120	0.00
120 <= Vol < =500	1.50
>500	2.00

This incentive is applicable to eligible resellers on Quarterly Sales Volume purchased in the quarter excluding DEF. DEF is neither considered for criteria achievement nor incentive payment.

The applicable incentive to the eligible resellers will be settled at the end of scheme period as per the guidelines of IOC.

2. Reseller Growth Incentive: Applicable for IOC RO, Bazaar & Nayara RO

Under this scheme resellers will be paid incentive based on the growth given by individual resellers in comparison to last year quarter sales volume. This incentive is payable to resellers on quarterly sales volume as per details shown below:

Slab on Reseller Sales volume during a Quarter (Lit)	Vol Incentive (Rs/L)
0 to <10%	0.00
>=10%	2.00

This incentive is applicable to eligible resellers on Quarterly Sales Volume purchased in the quarter excluding DEF. DEF is neither considered for criteria achievement nor incentive payment.

For any new reseller or reseller having base of less than 120 ltr during the quarter, the minimum base for this scheme will be 120 ltr during the quarter. The applicable incentive to the eligible resellers will be settled at the end of scheme period as per the guidelines of IOC.

Special Conditions: Mandatory

Incentive mentioned in the Servo Achiever scheme, under this circular is payable to SSR/GSS only after achievement of point mentioned below:

Type of Stockist (Based on average primary sales of FY 2023-24)	Qualification criteria Minimum volume, to be uplifted Ltr/Month	Grade
SSR > 35 KLPM	400	Tru4 Kraaft or Honda Josh in small packs
SSR < =35 KLPM	300	
GSS	100	

Note:

- Modalities for State and Stockist target setting will communicated separately.
- State Office should ensure in sending a separate circular regarding the scheme to all concerned and monitor Stockist wise sales (Both primary and Secondary) closely and take all necessary actions to ensure reaching monthly and annual targets.
- SO are not authorized to launch state specific scheme without the permission of HO.



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ANNEXURE A: LIST OF CITIES

States/UTs	Cities Classified as "X"	Cities Classified as "Y"
Andhra Pradesh	Hyderabad	Vijayawada, Warangal, Vishapatnam, Guntur
Assam		Guwahati
Bihar		Patna
Chandigarh		Chandigarh
Chhattisgarh		Durg-Bhilai, Raipur
Delhi	Delhi	
Gujarat		Ahmedabad, Rajkot, Jamnagar, Vadodara, Surat
Haryana		Faridabad
Jammu and Kashmir		Srinagar, Jammu
Jharkhand		Jamshedpur, Dhanbad, Ranchi
Karnataka	Bengaluru	Belgaum, Hubli-Dhanbad, Mangalore, Mysore
Kerala		Kozhikode, Kochi, Thiruvananthapuram
Madhya Pradesh		Gwalior, Indore, Bhopal, Jabalpur
Maharashtra	Mumbai	Amravati, Nagpur, Aurangabad, Nashik, Bhiwandi, Pune, Solapur, Kolhapur
Orissa		Cuttack, Bhubaneswar
Punjab		Amritsar, Jalandhar, Ludhina
Pondicherry		Pondicherry
Rajasthan		Bikaner, Jaipur, Jodhpur, Kota
Tamil Nadu	Chennai	Salem, Tiruppur, Coimbatore, Tiruchirappalli, Madurai
Uttar Pradesh		Moradabad, Meerut, Ghaziabad, Aligarh, Agra, Bareilly, Lucknow, Kanpur, Allahabad, Gorakhpur, Varanasi
Uttarakhand		Dehradun
West Bengal	Kolkata	Asansol