APPENDICES
APPENDIX - 1
A STUDY OF DISTRIBUTION NETWORK IN MARKETING OF COMPUTERS WITH REFERENCE TO BANGALORE AND MYSORE INDUSTRIAL BELTS.

SCHEDULE FOR MANUFACTURERS

1. GENERAL INFORMATION
   1.1 Name of the Company
   1.2 Date of establishment
   1.3 Type of the enterprise

   Joint Stock
   a) Private Limited
   b) Public Limited

   1.4 Total capital employed
   1.5 Annual Turnover
   1.6 Organisational Chart (Please furnish a copy)

2. PRODUCTION
   2.1 What type of computers do you manufacture?
      Main frame
      Super minis
      Mini
      Micros
2.2 Production capacity per month (Nos)
Main frames
Super minis
Minis
Micros

2.3 What are the other products produced by you?

<table>
<thead>
<tr>
<th>Products</th>
<th>Annual Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nos</td>
<td>Value(Rs.)</td>
</tr>
</tbody>
</table>

3. DISTRIBUTION NETWORK: GENERAL

3.1 What are the categories of users of your product?

<table>
<thead>
<tr>
<th>SI.No.</th>
<th>Names of Users</th>
<th>%share of Products</th>
</tr>
</thead>
</table>

3.2 What are your segments of market?
3.3 On what basis have you segmented the market?

3.4 Please furnish a copy of the organisation chart of your marketing department.

3.5 What are the various channels used for marketing your products?

<table>
<thead>
<tr>
<th>Channels</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Own outlet</td>
<td></td>
</tr>
<tr>
<td>B) Manufacturer-Dealer</td>
<td></td>
</tr>
</tbody>
</table>

3.6 Percentage share of each channel.

<table>
<thead>
<tr>
<th>Channels</th>
<th>% Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td></td>
</tr>
<tr>
<td>Through dealers</td>
<td></td>
</tr>
</tbody>
</table>

3.7 Is there any competition between
A) Sales offices

Yes/No

B) Dealers and

if yes
3.8 What is the nature of such competition?

3.9 What is your rating of the different channels in terms of the following parameters? (on a five point scale)

A. Sales (Excellent Good Average Poor V.Poor) Performance

1. Own sales offices
2. Dealers

B. After sales services

1. Own sales offices
2. Dealers

C. Market Information

1. Own sales offices
2. Dealers

D. Creating New Demand

1. Own sales offices
2. Dealers
E. Customer satisfaction

1. Own sales offices
2. Dealers

F. Cost effectiveness

1. Own sales offices
2. Dealers

G. Market Research
1. Own sales offices
2. Dealers

3.10 Cost of marketing as a percentage of sales value under different channels:

<table>
<thead>
<tr>
<th>CHANNELS</th>
<th>COST OF MARKETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company - User</td>
<td></td>
</tr>
<tr>
<td>Company - Dealer</td>
<td></td>
</tr>
</tbody>
</table>

3.11 Show the details of cost structure fixed costs variable costs.
3.12 Furnish the following date for each channel

<table>
<thead>
<tr>
<th>CHANNELS</th>
<th>Sales during last year/</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Variable costs relating</td>
</tr>
<tr>
<td></td>
<td>to channel (last year)</td>
</tr>
</tbody>
</table>

Own outlet - User
Dealer - User

3.13 What strategies do you adopt for exercising control over distribution channels?

a) Control over selling territories
b) Control over resale price
c) Control over selling effort
d) Control over prices and terms of payment
e) Emphasis on non-price competition
f) Restriction on handling competitive products

3.14 Do you make an analysis of market channels?

a) By territory - How often
b) By customer type - How often
c) By marketing cost - How often
d) By sales volume - How often
e) By any other (specify) - How often
3.15 Do you receive complaints from users about the quality and performance of your products?

Types of complaints/Through whom/How often/
Type of action taken.

3.16 What measures have you taken to minimise such complaints?

4. COMPANY'S OWN SALES OUTLETS:

4.1 Number of your own sales outlets in Bangalore and Mysore

4.2 Whom are your sales offices sell?

% share

Dealers
Users

4.3 What factors do you consider in having your own sales outlets?

4.4 What is the common staffing pattern of your sales offices?
4.5 What are the functions performed by your sales offices?

a) Presales work  
b) Outright - Cash & Credit  
c) Dealers counselling  
d) Storage  
e) Transportation  
f) Billing/Collection  
g) After-Sales-Service  
h) Sales promotion  
i) Marketing information  
j) Any other

(Tick mark against appropriate items)

4.6 What are the criteria adopted for the evaluation of your own sales offices?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Relative Weightage</th>
</tr>
</thead>
</table>

4.7 What is the technique and procedure adopted for evaluation?

a) Technique  
b) Procedure
4.8 What are the returns to be submitted to the head office by your own sales offices?

<table>
<thead>
<tr>
<th>SI.No.</th>
<th>Returns</th>
<th>Frequency</th>
<th>Major Contents</th>
</tr>
</thead>
</table>

(Kindly enclose copies of the formats of returns)

4.9 What support does your marketing department extend to sales offices?

4.10 What kind of support do your sales offices extend to the dealers?

5. MARKETING THROUGH DEALERS:

5.1 What factors do you consider in choosing this channel?

5.2 Is this channel better than your own sales outlets for marketing, why?

5.3 Is it more economical to sell through dealers?

What are the types of dealers you have?

- Exclusive
- General
- Any other (Please specify)
5.4 What are the criteria adopted for the selection of dealers?
Please indicate the importance of each on a scale 0-5 NS=Not significant, VS=Very significant

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Relative Weightage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NS</td>
</tr>
<tr>
<td>Coverage strength</td>
<td>0</td>
</tr>
<tr>
<td>Sales experience in the concerned line</td>
<td>0</td>
</tr>
<tr>
<td>Financial strength</td>
<td>0</td>
</tr>
<tr>
<td>Warehousing facility</td>
<td>0</td>
</tr>
<tr>
<td>Managerial ability</td>
<td>0</td>
</tr>
<tr>
<td>Technical expertise</td>
<td>0</td>
</tr>
<tr>
<td>Past performance</td>
<td>0</td>
</tr>
<tr>
<td>Capability for long term association</td>
<td>0</td>
</tr>
</tbody>
</table>

5.5 What are the marketing functions performed by your dealers?
Advertising
Pre-sales work
After-Sales-Service
Stocking
Marketing Services
Any other (Please specify)
5.6 What strategies do you adopt for dealer development?

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Frequency</th>
</tr>
</thead>
</table>

5.7 What type of sales promotional services do you extend to your dealers?

5.8 What are the products which you sell to dealers?

5.9 What are the commercial terms and conditions of your sale to dealers?

a) Advance payment

b) Discount on selling price

c) Credit sale

d) Period of credit

e) Backup guarantee (Warranty)

f) Door delivery

5.10 Whether dealers do any advertisement for your products?

Yes/No
5.11 Who bears packing, forwarding, freight and insurance charges?
   a) Your company
   b) Dealer

5.13 Do your dealers hold large stocks of your product and to what level they hold such stocks?

5.14 Do your dealers carry competing product lines?

5.15 What are the criteria adopted for evaluating the performance of the dealers?
   (Please indicate the importance of each on a scale of 0-5, NS=Significant, VS=Very significant)

<table>
<thead>
<tr>
<th>Si.No.</th>
<th>Criteria</th>
<th>NS</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Sales performance</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>b)</td>
<td>Promptness in payment</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>c)</td>
<td>Marketing coverage</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>d)</td>
<td>Customer Satisfaction</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>e)</td>
<td>Developing new market</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>f)</td>
<td>Increasing market share in the area</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>g)</td>
<td>Market information</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>h)</td>
<td>Inventory level</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
5.16 What information feedback do you get from dealers?

<table>
<thead>
<tr>
<th>Type of information</th>
<th>Frequency</th>
</tr>
</thead>
</table>

5.17 Do you change dealers quite often?

5.18 If yes how many dealers were changed during the last 5 years?

5.19 What were the reasons?

6. CUSTOMER SERVICE:

6.1 What are the categories of your customers?

<table>
<thead>
<tr>
<th>Categories</th>
<th>No. of clients</th>
</tr>
</thead>
</table>

6.2 How do you locate the prospective customers?

6.3 What efforts do you make for identifying new customers?

6.4 What facilities do you offer to your customers?

Credit sale
Prompt delivery
Repair and Maintenance Service
6.5 Do you receive Complaints from your customers on the products supplied to them?

<table>
<thead>
<tr>
<th>Product</th>
<th>Type of complaint</th>
<th>How often</th>
</tr>
</thead>
</table>

6.6 What measures do you take to minimise such complaints?

6.7 What are the approaches adopted for retaining continued patronage of your customers?

6.8 Have you made an analysis of your customers views?

7. GENERAL

7.1 Kindly furnish any other information relating to distribution channels.

7.2 Please enclose copies of Annual reports for the last 5 years.
APPENDIX - II
KUVEMPU UNIVERSITY
DEPARTMENT OF STUDIES IN COMMERCE
DAVANAGERE

A STUDY OF DISTRIBUTION NETWORK IN MARKETING
OF COMPUTERS WITH REFERENCE TO BANGALORE AND
MYSORE INDUSTRIAL BELTS.

SCHEDULE FOR DEALERS

1. GENERAL INFORMATION

1.1 Name of the company :

1.2 Type of Organisation :

Proprietary concern
Partnership firm

Joint stock company:

a) Private Ltd. Co.
b) Public Ltd. Co.

1.3 Product lines in which you deal?

1.4 What is your staffing pattern?
<table>
<thead>
<tr>
<th>Category</th>
<th>Number of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Managers</td>
<td></td>
</tr>
<tr>
<td>b) Sales Engineers</td>
<td></td>
</tr>
<tr>
<td>c) Sales Representatives</td>
<td></td>
</tr>
<tr>
<td>d) Service Engineers</td>
<td></td>
</tr>
<tr>
<td>e) Technical Assistants</td>
<td></td>
</tr>
<tr>
<td>f) Office Staff</td>
<td></td>
</tr>
</tbody>
</table>

1.5 Functions performed
- Outright purchase & sales
- Consignment sales
- Agency

1.6 Sale of spare parts
- Repairs and Maintenance Service
- Any other (Please specify)

1.7 Annual turnover

1.8 Territory covered to you:
2. DEALERSHIP:

2.1 For how many manufacturers you are a dealer?

<table>
<thead>
<tr>
<th>Number of Manufacturers</th>
<th>Products</th>
<th>Type of dealership (Sole/Exclusive etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.2 What is the percentage of business you are doing with respect to each of the above products?

<table>
<thead>
<tr>
<th>Product</th>
<th>Percentage business</th>
</tr>
</thead>
</table>

2.3 What factors are considered when accepting dealership of a product?

Please rank as per importance attached, NI=Not Important, VI=Very Important
2.4 What are the dealership terms?

a) Security deposit to be paid
b) Advance payments to be made
c) Period of credit allowed
d) Rate of trade and cash discount
e) Any other (specify)
2.5 Do you undertake advertisement and sales promotional activities?

a) Advertisement
b) Deputing sales representatives
c) Any others (Please specify)

2.6 Whether your principal shares the advertisement and promotional expenses

Yes   No

2.7 To what extent?

2.8 What kinds of after-sales services do you undertake for your clients?

2.9 Have you trained your sales and service staff at your principals works?

Duration of training -
How often -

2.10 Do you take help of your principals Sales Engineer/Sales Manager, when & why?
2.11 What is the frequency of visits by your principal?

a) Marketing Manager/Vice President
b) Regional/Branch Manager
c) Sales Engineer
d) Service Engineer

2.12 Do you get door delivery from your principal?

a) Door Delivery
b) To take delivery in principal's works
c) To take delivery in their branch office

2.13 Do you have enough storage facility?

Adequate
Inadequate

2.14 Do your principals set any targets for you?

<table>
<thead>
<tr>
<th>Product</th>
<th>Target</th>
</tr>
</thead>
</table>

2.15 How is the target set?

a) In consultation with you
b) In dealers conference/meeting
c) By visiting of Sales Manager
d) Any other method (Please specify)
2.16 Are you satisfied with the commercial policy of your principals and their terms of sale?

Yes  

No

If 'No' Why?

2.17 On what aspects you have dissatisfaction?

2.18 What types of feedback information do you report to your principal?

<table>
<thead>
<tr>
<th>Nature of Report</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Productive sales satisfaction</td>
<td></td>
</tr>
<tr>
<td>b) Creation of new demand</td>
<td></td>
</tr>
<tr>
<td>c) Customer's complaint</td>
<td></td>
</tr>
<tr>
<td>d) Sales promotional efforts</td>
<td></td>
</tr>
<tr>
<td>e) Any other (Please specify)</td>
<td></td>
</tr>
</tbody>
</table>

2.19 Do you face the competition of other dealers of your principal?

'Yes'  

'No'

If 'Yes' how do you face it?

2.20 What is the nature and extent of such competition?
2.21 As a dealer do you like your manufacturer to (Rank in order of preference 1, 2, 3...) :

Rank

a) Give you short and prompt deliveries
b) Give you better margins and discounts
c) Help you in expanding your market coverage
d) Allow you to decide:
   When to buy, how much to buy etc.

2.22 What according to you should your manufacturers do to help you to improve your performance?

2.23 Have you ever discontinued the dealership of any product

Yes
No

If yes when and why?

For what products?

2.24 What were the reasons for discontinuing dealership?
3. CUSTOMER SERVICE

3.1 What are the categories of your customers?

<table>
<thead>
<tr>
<th>Categories</th>
<th>No. of clients</th>
</tr>
</thead>
</table>

3.2 How do you locate the prospective customers?

3.3 What efforts do you make for identifying new customers?

3.4 What facilities do you offer to your customers?

- Credit sale
- Prompt delivery
- Repair and Maintenance service

3.5 Do you receive complaints from your customers on the products supplied to them?

<table>
<thead>
<tr>
<th>Product</th>
<th>Type of complaint</th>
<th>How often</th>
</tr>
</thead>
</table>

3.6 What measures do you take to minimise such complaints?

3.7 What are the approaches adopted for retaining continued patronage of your customers?

3.8 Have you made an analysis of your customers' views?
APPENDIX - III
WIPRO INFORMATION TECHNOLOGY LTD.

Date: March 31, 1992

DEALER TERMS - MICROS

HARDWARE TARGETS:

(a) Advance:

ALL DEALERS are required to pay a one-time advance. This enables them to book orders for hardware on WIPRO INFORMATION TECHNOLOGY LTD. (WITL) for subsequent sale to customers without paying a separate advance with each order. The advance amount to be paid by DEALER is Rs. 1.50 Lakhs.

DEALERS orders will not be accepted till such time this advance is paid. No interest is payable by WITL to DEALER on the advance amount.

(b) Demo Machine:

Dealership appointment is subject to purchase of demo machine which will be made available to him under the following terms:
1. Demo machine shall be made available at 80% of the basic price.

2. Demo machines shall not be resold by dealers.

3. Collections towards purchase of demo machine shall not be considered for dealers's hardware target achievement purposes.

4. Payment terms which would be applicable would correspond to Hardware payment terms.

5. The dealer has the option of purchasing more demo machine if:

   i) a new product/model has been released by WITL.

   ii) his machine has become old and specifications of the latest products have changed considerably.

   iii) The old demo machine is under WITL Annual Maintenance contract (AMC).

c) Dealer targets:

   The following are the hardware targets for the categories of dealers: (Figs.in Rs. Lakhs)

<table>
<thead>
<tr>
<th>QI</th>
<th>QII</th>
<th>QIII</th>
<th>QIV</th>
<th>ANNUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>16</td>
<td>18</td>
<td>26</td>
<td>73</td>
</tr>
</tbody>
</table>

   - 292 -
Achievement will be based on:

- actual collections against hardware orders net of commission.

- actual collections against DEALER's own hardware purchases, excluding collection against Demo machine purposes.

- such collections being taken net of sales tax, octroi and other statutory levies except excise duty.

Sales of MS-DOS or any other software accessory and add-ons bundled alongwith the base machine will be counted towards hardware achievement.

**ANNUAL MAINTENANCE CONTRACT (AMC) TARGETS:**

The AMC target is 75% for machines due for renewal this financial year and 50% for machines where warranty expires during the year.
COMMISSION TERMS:

(a) Hardware:

i) Hardware purchased by DEALER for subsequent sale to customers will be at dealer prices. No further commission is payable to DEALER.

ii) For hardware orders placed on WITL but booked by DEALER, DEALER will be given a commission of 12% (twelve percent) on basic price.

(b) AMC:

For AMCs booked by dealer on behalf of WITL, dealer will be given a commission of 12% (twelve percent) of the AMC value. This can be deducted by the dealer and balance 88% paid to WITL.

BONUS TERMS:

A. QUARTERLY BONUS:

(a) Hardware
Quarterly Bonus of 7% shall be paid on dealer's total achievement in the calendar quarter provided:
1. Dealer's total hardware achievement for the quarter exceeds his hardware target for the quarter.

2. Dealer's total AMC achievement for the quarter exceeds 75% of his AMC target for the quarter.

(b) AMC:

No quarterly bonus is payable by WITL on AMC collections.

B. ANNUAL BONUS:

(a) Hardware:

Annual hardware bonus of 3% is payable on dealer's annual hardware achievement provided:

1. Dealer's annual hardware achievement equals to or exceeds dealer's annual hardware target.

2. Dealer's annual AMC achievement equals to or exceeds dealer's annual AMC target.
(b) **AMC:**

Annual AMC bonus of 4% is payable on AMC collections from dealer provided:

Annual AMC achievement of the dealer equals to or exceeds dealer's annual AMC target.

C. **OVERACHIEVEMENT BONUS:**

Dealer shall be paid a bonus of 1% (one percent) of his annual hardware achievement provided the following conditions are met:

a) Dealer should be eligible for the Annual Hardware Bonus.

b) Dealer should have achieved his Annual Hardware target.

i. in three out of the four Quarters if he is operational during quarter I.

ii. in two out of three quarters if he is operational during quarter II.

iii. in one of the two quarters if he is operational during quarter III.
c) Dealers annual hardware achievement exceeds annual hardware target by at least 25%.

BILLING AND PAYMENT TERMS:

Direct orders are orders where WITL will bill the customer/end-user. Indirect orders are orders where WITL will bill the dealer who subsequently sells it to the end customer. Dealer's own purchases for internal usage, other than the demo machine, will be considered as direct orders.

DETAILED PROCEDURE:

Cash Discount:

Cash discount of 3% on the basic value will be applicable if the order is accompanied with corresponding cheque/draft to be banked at WITL's discretion.

Orders which are billed from any of the regional warehouses would qualify for cash discount provided material is despatched against the order not less than 30 days of receipt of the order at WITL. Cash discount will be applicable only for orders booked during the financial year.
Order Execution:

The dealer has a choice of order execution either from Mysore or from the corresponding regional warehouse. Orders from Mysore are executed at 4% CST (for other than Karnataka dealers, where KST will be applicable). For order execution from regional warehouses, local sales tax as applicable will be charged. The minimum billing price which would be applicable from Mysore would be 90% of basic price or 87% of basic price depending on whether the order qualifies for a cash discount. In case of sale to E & R segment minimum billing price would be at 78% or 75% of the basic price, depending on whether the order qualifies for cash discount.

Billing from regional warehouse:

1. With cash discount:

   a) Instation:

      WITL will receive the cheque/draft along with the order with clear instruction to bank it at WITL's discretion.
b) Outstation:

WITL will receive the cheque/draft from the dealer alongwith an order. The out station cheque would include the additional discounting charges which would be 0.6% of the cheque value. Clear instructions to bank the cheque at WITL's discretion must accompany the cheque.

For both cases a) and b) mentioned above, WITL will despatch the machine not less than 30 days after receipt of the order at WITL.

2. Without Cash Discount:

a) Instation:

WITL will receive the cheque alongwith the order. Within 3 days of availability of material in the warehouse, WITL will despatch the machine to the dealer and bank the cheque.
b) **Out station:**

WITL receives the outstation cheque (inclusive of 0.6% discounting charges for out station cheques) along with the order. Within 3 days of availability of material in the warehouse, WITL will despatch the machine and bank the cheque. The dealer has an option of giving a draft in favour of WITL, within the said three days, in which case 0.6% discounting charge will not be levied, and the cheque would be returned to him.

Outstation cheques will be accepted only from dealers and not from customers. In the case of outstation cheques collection advice shall clearly mention amount collected as discounting charges.

**Billing from Mysore:**

1. **With Cash Discount:**
   a) **Instation:**

   WITL will receive the cheque/draft along with the order with clear instruction to bank it at WITL's discretion.

   - 300 -
b) Outstation:
WITL will receive the cheque/draft from the dealer along with an order. The out station cheque would include the additional discounting charges which would be 0.6% of the cheque value. Clear instructions to bank the cheque at WITL's discretion must accompany the cheque.
Outstation cheques will be accepted only from Dealers and not from customers. In the case of outstation cheques collection advice shall clearly mention amount collected as discounting charges.

2. **Without Cash Discount:**

a) Instation:
WITL will receive the cheque along with the order. The cheque will be banked within 4 days of despatch from Mysore for all dealers.

b) Outstation:
WITL receives an outstation cheque inclusive of 0.6% discounting charges for outstation cheques along with the order. The cheque will be banked within 4 days of despatch from Mysore for all dealers.
The dealer has an option of giving a draft in favour of WITL, within the said four/ten days, in which case 0.6% discounting charge will not be levied, and the cheque would be returned to him.

Out station cheques will be accepted only from dealers and not from customers. In the case of out station cheques collection advice shall clearly mention amount collected as discounting charges.

ACHIEVEMENT:

Any cheque/draft shall be considered for target achievement in a particular quarter, provided it has been given to WITL with clear instructions for depositing within the quarter. This shall also be applicable to outstation cheques which include discounting charges.

OUTSTATION:

Locations where WITL does not have a collection account.

INSTATION:

Locations where WITL has a collection account.
Amount payable by the dealer:

Hardware:

For orders executed from Mysore, amount payable by the dealer for all orders be 88% (85.36% in the case of cash discount) of the bank value + sales tax and octroi calculated at actuals. The minimum value of the cheque which accompanies the order should be = 88% (85.36% in the case of cash discount) of the basic value + sales tax and octroi calculated at actuals.

For the orders executed from the regional warehouses, amount payable by the dealer for all orders would be 88% of the basic value + sales tax and octroi calculated at actuals. The minimum value of the cheque which accompanies the order should be = 88% of basic value + sales tax and octroi calculated at actuals. In case cash discount is applicable, dealer shall be given a credit note for the same, after despatch of the material.

Price Decrease:

In case of downward revision of prices, WITL at its discretion, will issue credit note to the dealer in respect of unsold stocks lying with the dealer, to the
extent of the price reduction to be worked out on the basis of prices exclusive of excise duty, sales tax and statutory levies, provided that benefit of such credit note shall be confined to supplies made by WITL within 45 days preceding the date of effectivity of such revision. In case the order had been booked during a promotion period, and the dealer has purchased the stocks at a lower price (inclusive of cases where TARGET ACHIEVEMENT BONUS is payable at a later date), the extent of price reduction would be calculated on the basis of the lower prices available to the dealer.

The benefit of such credit note on price reduction will be subject to:

i) DEALER ensuring regular submission of monthly sales/stock statement within ten days of the subsequent month.

ii) Verification by WITL of stock held by DEALER, on the date of price revision.

No credit note, however, shall be given for sales tax octroi, etc., paid. Further, dealer will not get credit for a price drop due to a reduction in statutory levies.
Unless otherwise agreed by WITL, all direct orders accepted by WITL shall be invoiced at the price at which the order was accepted. If delivery is not made within 45 days of order acceptance by WITL, reduced prices will be applicable.

Price Increase:

In case of Indirect orders, the benefit of the old price would be given only for dealer orders placed against pending firm orders from dealer customers lying with the dealer as on date of price increase. This is subject to verification of dealers records of WITL authorized personnel. WITL's decision on this will be final in all respects. However, excise, sales tax and other statutory levies will be applicable at actuals.

Unless otherwise agreed by WITL, all direct orders booked by the dealer on behalf of the customer and accepted by WITL alongwith the appropriate advance prior to the effective date of price drop, will not be affected by the price increase and will be invoiced at the price prevailing earlier. However, excise, sales tax and other statutory duties will be applicable at actuals.
**Cheques dishonour:**

In the event of a cheque dishonour, the dealer will have to pay the equivalent amount by draft immediately. Along with this, he would have to pay penalty of 3% of the cheque value. In case of repeated occurrences, dealership will be reviewed. Achievement against target will be considered in the quarter in which the dealer made good the value of the dishonored cheque and the penalty of 3%.

**Order cancellation:**

Any order booked on WITL by the dealer, if cancelled, will attract a penalty of 3% of the order value as cancellation charges. However, if delivery has not been made by WITL within 45 days of order receipt at WITL, dealer has an option of cancelling the order without incurring cancellation charges, provided he communicates the same to WITL in writing before the 50th day of order acceptance at WITL.

**EDUCATION AND RESEARCH SEGMENT (E & R SEGMENT)**

For sales made to E & R segment, if the discount on basic value exceeds 8%, an equivalent discount will be given by WITL. The maximum value of this special discount would be 7%. The E & R special discount payable by WITL would be equal to:

- 306 -
Discount given in the order (%) - 8
---------------------------(sub. to a max.7%) 2

This is over and above the 12% base commission, 3% cash discount (if applicable) and other quarterly and annual bonuses that the dealer may be entitled to.

EXAMPLE:

a) If the order contains a 22% discount on basic price, total commission payable by WITL would be: Base commission (12%) + special discount of 7% totalling to 19%. Dealer, in this case can make good his margins only by achieving the quarterly/annual bonuses.

b) If the order contains a 12% discount on basic price total commission by WITL would be: Base commission (12%) + special discount of 2% totalling to 14%. Dealers margin in this case would be 2%.

1) In the case of orders with cash discount, deemed basic price would be equal to 97% of basic price.

2) For E & R institutions, the minimum value of billing value be at 78% or 75% of basic, depending on whether cash discount is applicable.
3) For these orders, achievement would be taken as collections against the order of sales tax, octroi, etc., and other duties but inclusive of excise duty.

4) All orders for the E & R segment that qualify for special discount will be serviced from Mysore.

5) The value of the cheque accompanying the order should be:

Basic price - Base commission - special discount (based on value) + sales tax and octroi calculated at actuals.

6) An AMC discount of 20% will be given where a single installation location has five or more CPUs. The dealer would be getting his commission on AMC value less this discount.

PREVENTIVE MAINTENANCE

Dealer would be reimbursed by WITL @ Rs.50/- per preventive maintenance call made by him to the customer. For reimbursement of the same, he has to provide a signed receipt from the customer acknowledging that the preventive maintenance has been carried out. These claims will be cleared by WITL on quarterly basis.
1. This is applicable only for machines under warranty/AMC.

2. A maximum of one preventive maintenance call can be made per machine in any given quarter.

3. Preventive maintenance will be carried out as per guidance laid down by the WITL.

**WARRANTY:**

The machines sold to customer carry a warranty of one year from the date of installation.

**ADVERTISEMENT:**

Cost of advertisement released by WITL in the local newspapers in consultation with dealer will be shared by WITL and the dealer on 50:50 basis.