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**CIRCULAR: Guidelines on Identification of 'Group Customer (GC)' for PP Sales**

**1. Guidelines for recognition of business entities as a " Group customer (GC)" for the purpose of availing benefits as per the combined entitlement of the group:**

- 1.1.** To qualify as eligible group of customers namely "Group Customer (GC)" the entities must be either a Proprietary concern or a Registered Partnership Firm/ Limited Liability Partnership (LLP)/ Private Limited Company(PLC)/ One Person Company(OPC) /Unlisted Public Limited Company(UPLC) / Listed Public Limited Company(LPC) /HUF engaged in procurement and processing of Polypropylene (hereinafter PP).
- 1.2.** All the business entities opting for "Group customer (GC)" shall **only** be PP Processor/Manufacturer.
- 1.3.** One business entity can be registered under one Group only.
- 1.4.** All the entities desirous of being identified as Group Customer must identify one individual as the common stakeholder namely "**Key Individual**" for the purpose of this scheme. "**Key Individual**" will be the individual desirous of having a group customer and the person who gives the list of the group customer constituents. The group will be identified through **Key Individual**.

**Definition of Key Individual:-** "Key Individual" shall be an Individual, common in the group constituents who may be a member/ shareholder in company / a partner in partnership /a proprietor in case of proprietorship, as the case maybe; subject to the qualifying criteria stipulated below.

**1.5. In case of Proprietorship concern :**

**1.5.1** The "Key Individual" shall be the proprietor.

**1.6. In case of Private Ltd. Co. (PLC) / One Person Company (OPC) / Unlisted Public Ltd. Co. (UPLC) :**

**1.6.1.** The "Key Individual" shall hold at least **26%** shares either himself or jointly with his relatives.

**1.7. In case of Partnership firm/ Limited Liability Partnership (LLP):**

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**1.7.1.** The “Key Individual” must be common across the Group entities and holding at least **26%** shares either himself or jointly / collectively, held by, self/ with his relatives.

**1.8. In the case of Listed Public Limited Companies. (LPLC) :**

**1.8.1.** The “Key Individual” must be common across the Group entities and holding at least **26%** shares either himself or jointly / collectively, held by, self/ with his relatives. Page | 1

**1.9.** In the case of HUF the Karta must be the Key individual.

**1.10.** Subsidiary or Associate Company(s) as per Companies Act 2013 of any business entity which is a constituent of the group customer can also be eligible to be a part of the “Group Customer (GC)”.

**1.11. The eligible business entity as per 1.5 to 1.10 above which is joining the group, will be required to furnish the following:**

**1.11.1.** In the case of proprietorship, a registration certificate of the Proprietary.

**1.11.2.** In case of Partnership Firm/LLP, an authority letter or a Power of Attorney, in favour of the Key Individual to act as Authorised Signatory and as “Key Individual” in accordance with this Scheme, will be required from / all partners; and

**1.11.3.** In case of OPC/ PLC / LPC/ULPC, a Board resolution authorising the “Key Individual” as Authorised Signatory and as “Key Individual” in accordance with this Scheme would be required from the entity joining the group.

**1.12.** Authorised signatory of each entity should confirm in writing to MRPL, their consent/willingness to conform to the decisions/ commercial terms firmed up by the “Key Individual” with MRPL.

**1.13.** A particular Customer/ Business Entity can opt to be part of any **ONE GC only**, during a financial year, and declaration regarding the same shall be given while furnishing the documents for joining any Group.

**1.14.** MRPL shall recognize different business entities in a common group as **GC**, for the purpose of availing benefits as per the combined entitlement of the group, as per this guideline. The benefit will be passed on to the respective entities of the “**Group Customer (GC)**” based on the volumes uplifted by each.

**1.15.** Each proposal shall be examined on a case to case basis and may be approved by MRPL as per the guidelines. Decision of MRPL regarding consideration of entities under **Group Customer (GC)** scheme will be final and binding. MRPL reserves its rights to reject any **Group customer (GC)** proposal without assigning any reasons thereof.

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**2. Procedure to be followed for recognizing the constitution of a GC and for review:**

**2.1. The respective Regional Office (RO) will obtain the following documents from the DCA cum CS/DCA:**

**2.1.1.** Request Letters from all the respective Customers/ Business Entities, under the proposed Group, seeking approval to be considered as a part of the specific GC. These request letters should be signed by the Authorized Signatory, appending the signature of the “Key Individual”. **The request letters to specify the following:**

**2.1.1.1.** Willingness of being part of the GC with the names of the entities.

**2.1.1.2.** Qualification of the “Key Individual” as per the criteria given above, based on which the group is proposed to be formed.

**2.1.1.3.** Assurance for informing MRPL in case of any change in the constitution of the **Group customer (GC)** entities.

**2.1.1.4.** Authorise MRPL to appropriate sum payable by MRPL to any group entity towards the amount due to MRPL from other entities of the **Group customer (GC)**, without reference or pre-authorisation.

**2.1.1.5.** Confirmation that the entire group in the GC shall be jointly and severally liable for financial or other consequences resulting from any default on the part of any of the entities in the **Group customer (GC)**.

**2.1.1.6.** Declaration that the applicant entity is not part of any other existing **Group customer (GC)** and has applied for consideration under the proposed **Group customer (GC)** only.

**2.1.2.** Certificate from DCA cum CS/DCA servicing the “**Group Customer (GC)**”. The letter from the DCA cum CS/DCA to clearly confirm the facts of the “Key Individual” / common stakeholder and the confirmation that any change in the eligibility of the Key Individual, constitution / insolvency / any information pertaining to the material adversity in financial position / reputation of the entity(ies) will be informed to MRPL on an immediate basis failing which excess benefits passed on to the **Group Customer(GC)**, if any, will be recovered from the DCA cum CS/DCA.

**2.2.** All requests for “**Group Customer (GC)**” will be vetted by the respective Regional Sales Group and shall subsequently be forwarded to Finance Department. **The requirement of mandatory documents is as mentioned below:**

**All the Chartered accountant (CA) certificates/authorization for the below mentioned requirements, should have UDIN authentication.**

**2.2.1. Proprietorship:** Latest Bank Certificate, GST registration certificate (3 pager) and CAs certificate certifying the proprietor of the unit.

**2.2.2. Partnership Firm:** Copy of Partnership deed (latest copy) and Registration certificate. Certificate from the Chartered Accountant CA clearly mentioning the percentage share of “Key Individual” and where the partnership is more than one year old the CA certificate should clearly state the current status of Partners and their share in the profit/ loss of the concern. An authority letter from

Partnership, and attested by Chartered Accountant, authorising the Key Individual as authorised signatory and to act as Key Individual as per the current Scheme.

**2.2.3. OPC, Pvt. Ltd. Co. & Unlisted Public Ltd. Co.:** Memorandum and Articles of Association and Annual returns for the last audited Financial Year of the Company. Certificate from the Chartered Accountant CA clearly mentioning that the percentage share the “Key Individual” is having. A Board resolution, attested by Chartered Accountant authorising the “Key Individual” as Authorised Signatory and to act as “Key Individual” in accordance with this Scheme.

**2.2.4. Listed Public Ltd. Co.:** Memorandum and Articles of Association and Annual returns for the last audited Financial Year of the Company. Certificate from the Chartered Accountant CA clearly mentioning that the percentage share the “Key Individual” is having. A Board resolution, attested by Chartered Accountant authorising the “Key Individual” as Authorised Signatory and to act as “Key Individual” in accordance with this Scheme.

**2.2.5. Subsidiary Company:** Memorandum and Articles of Association and Annual returns for the last audited Financial Year of the Company. Certificate from the CA clearly stating whether the Company joining the “Group Customer (GC)” is a subsidiary of any company in the group customer with the percentage share. A Board resolution, attested by Chartered Accountant authorising the “Key Individual” as Authorised Signatory and to act as “Key Individual” in accordance with this Scheme.

**2.2.6. Associate Company:** Memorandum and Articles of Association and Annual returns for the last audited Financial Year of the Company. Certificate from the CA clearly stating whether the Company joining the “Group Customer (GC)” is an associate of any company in the group customer with the percentage share. A Board resolution, attested by Chartered Accountant authorising the “Key Individual” as Authorised Signatory and to act as “Key Individual” in accordance with this Scheme.

**2.2.7.** With regard to the percentage share the guidelines for recognition of the Group will be followed as listed in **para 1.0 above**.

**2.2.7.1.** All the entities applying for being considered as a Group shall declare that the applicant entity is not part of any other existing group and has applied for consideration under the proposed group only.

**2.2.8.** All documents being furnished by the customers for being treated as a group under the MRPL “**Group Customer (GC)**” scheme will be duly attested ( Signed & Stamped) by the Chartered Accountant.

**2.3.** The respective regional sales group (RO) to recommend, after vetting and send the reports duly certified to the PP Product In charge.

**2.4.** The recommendations would be approved by PP Product In charge with FC. Such approval is to be maintained with the RO for future reference and for creation of customer master for formation, addition or deletion of constituents of the group (GC).

**2.5. Review:** The regional sales groups (RO) should ensure that all the groups are reviewed once in a year and at the year-end in the month of March and procedure as mentioned in the para 2 will be repeated to ensure that the Group Customer arrangement is still

valid. These documents can also subsequently be used for the revalidation procedure for the next year. The validity of each group will be till the end of the relevant financial year.

**2.6.** In the case of any additions or deletions to the “Group Customer (GC)” the entire procedure as mentioned in this proposal will be followed afresh.

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**Enclosures:**

- I. Definition of Relatives
- II. Request letter to be taken from customer
- III. Request letter to be taken from DCA cum CS
- IV. Certificate from Chartered Accountant (CA) clearly specifying % share of Key individual