###### **BY E-MAIL**

#### File No.271/2022 (General)

18.04.2024

M/s. Konica Minolta Business Solutions India Pvt. Ltd.

Attn.: Mr. Arun Kumar Ghosh <arun.ghosh@konicaminolta.com>

C.C.: <abhinav.thakur@konicaminolta.com>

<reji.bhaskaran@konicaminolta.com>

Dear Mr. Arun,

1. With regard to the trailing mail, it is clarified that during our last call I have suggested that by way of quantity discount the company should be able to get a few pieces as additional quantities to take care of warranty requirements. I have not suggested getting 5% of the total units purchased at a lower FOB price.

2. Normally, when large quantities are ordered, in international transactions, the price reduction in the unit price on account of the quantity ordered is given as “quantity discount”. Such discounts in the unit price are normally accepted by customs formations. It is very difficult to indicate any average discount as it can vary from industry to industry and on the basis of the type of products involved. In general, price reduction to the extent of 5% on account of “large quantity orders” is noticed. Therefore, such discounts can be reasonably explained to the customs at the time of import.

3. The following example will indicate what I have meant by quantity discount. For this, I have taken the first line item which you have mentioned in your attachment i.e., 100 units of cubes at a unit price of Rs.100/-. The invoicing can be as follows for this example.

 Unit Price - Rs.100/-

 Price discount for orders of

 100 pieces and above - 5%

 Net price - Rs.95/-

 Quantity ordered - 110

 Total price for 110 Rs.10,450/-

4. Thus, in the same invoice, by mentioning 5% quantity discount, you can get 110 pieces for a price of Rs.10,450/-. Or in other words, for the additional 10 pieces instead of Rs.1,000/- you will be paying Rs.450/-.

5. Thus, the quantity discount should be reflected in the same shipment and not by way of progressive reduction in subsequent shipments.

Regards,

Murugappan

Attached: as above.

sm/ss

**Disclaimer:-** The above opinion is provided based on the information and documents made available to us by the queriest and further based on the laws and rules prevalent as on date and the understanding of such provisions by the author and is meant for the private use of the person to whom it is provided without assuming any liability for any consequential action taken based on the views expressed here.