Brief of Distributorship

This is an addendum to the introduction published on our website

<https://iqubx.com/iqubx-is-appointing-distributors-across-india/>

The Company is engaged in the business of designing, manufacturing, assembling & marketing of **innovative, integrated, intelligent interior product system solutions (hereinafter called “Products”)** for offices, retail, hospitals, residential projects and public spaces like airports, metros, schools, hospitals etc., and distribution of “Products” under the BRAND name of **“IQUBX”**. As on date IQUBX is the only Company in the Country whose all recycled Aluminum based products are certified as “Greenpro” by Indian Green Building Council (part of CII).

The Company has established substantial reputation and goodwill in the business and the Distributor recognizes the benefits that can be accrued therefrom and acknowledges and agrees to the necessity of conforming to the high standards and specifications of the business.

The Company, in order to further develop the market of its Products, proposes to appoint distributors for the Products developed by the Company for different regions in the entire country, based on the qualification and experience of the Distributor. The Distributor represents that he has requisite desire, experience, knowledge, qualification, skills, financial capability and infrastructure required to carry out the Business as a Distributor of the Company’s Products.

# A brief summary regarding distributorship

1. There are 3 categories of Distributorship - Authorized Wholesale Distributor / Authorized Retail Distributor / Authorized Independent Distributor.
2. The distributorship is non-exclusive, non-assignable, non-transferable and given initially for 36 months, thereafter renewable on mutual agreement.
3. Distributor, irrespective of the area for which it is being appointed, shall be free to market and sell the Products anywhere in the country and similarly any other Distributor of the Company shall be entitled to carry out the Marketing and Sales activities in the territory allocated to any other type of the Distributor.
4. Distributor shall mean any natural (individual) or artificial person as legally and validly existing under the Companies Act, 2013, LLP, Partnership Act etc. and being appointed for the purposes of carrying out the business of marketing and selling Products of the Company.
5. The Company shall be appointing 1 (one) Authorized Wholesale Distributor for a geographical limit of each Municipal area within a Metro / Tier 1 & 2 cities. However, the Company may at its own discretion appoint more than 1(one) Authorized Wholesale Distributor in the Municipal limits of Tier 1 & 2 cities in the interest of business.
6. The Company shall be appointing upto 4-5 (Four-Five) or more Distributors in each geographical limits of each Municipal Area of Tier 1, 2 & 3 cities.
7. The Company shall be free to appoint any number of Independent Distributor in any of the given territories.
8. **Electrical products** such as Modular Aluminum Floor Junction boxes (PATENT pending), floor boxes, Modular Aluminum trunking system (Raceways), Aluminum modular electrical panel, Modular Aluminum Server Rack, LED lights etc.
9. **Interior products** such as Modular Aluminum ceiling trap door, Skirting, chair rail, curved wall paneling, Aluminum glass partition system, Modular office demountable wall paneling & partition system, modular baffle ceiling system, Aluminum rolling shutter, etc. with other Accessories which are supplied by the company.
10. Sales function is divided in three functions namely lead generation, lead conversion and facilitation, and the remuneration to be divided amongst three functions. Each or more functions may be executed by different distributors, making the entire sales process a collaborative and fruitful effort, whereby support for sales shall be generated across the country, irrespective of the geographical location of the distributor in question.
11. For the purposes of grant of distributorship rights, the entire country of India has been classified into various tiers. All metropolitan cities have been deemed to be covered under Tier 1. Such classification is more specifically defined below:

|  |  |  |
| --- | --- | --- |
| (i) | **Classification of centres (tier-wise)** | **Population (as per 2001 census)** |
| Tier 1 | 1,00,000 and above |
| Tier 2 | 50,000 to 99,999 |
| Tier 3 | 20,000 to 49,999 |
| Tier 4 | 10,000 to 19,999 |
| Tier 5 | 5,000 to 9,999 |
| Tier 6 | Less than 5000 |
| (ii) | **Population-group wise classification of centres** | |
| Rural centre | Population upto 9,999 |
| Semi-urban Centre | From 10,000 to 99,999 |
| Urban Centre | From 1,00,000 to 9,99,999 |
| Metropolitan Centre | 10,00,000 and above |

1. The distributorship should not create conflict of interests in any prior or later commitments of the distributor in terms of commitments to any competitive products.
2. All transactions and carrying out the business processes shall be executed through a proprietary ERP system of IQUBX, through which all the sales, incentives and discounts shall be calculated.
3. The distributor, except the individual distributor, shall be required to make available a dedicated product sample display and branding space.
4. Each Distributor has to deposit Interest-Free Refundable Security Deposit & non- refundable registration charges, maintain a minimum stock as per **Annexure 1**, attain the monthly and yearly sale targets as mentioned in the **Annexure 2** **to** **3** and for which they shall be entitled to incentives by the Company as more particularly mentioned in **Annexure 4**

|  |  |  |  |
| --- | --- | --- | --- |
| **Interest free refundable Security Deposit** | | | |
|  | **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Authorized Independent Distributor** |
| Metro / Tier-1 City | Rs 1.5 Lakhs | Rs 0.75 Lakh | Rs 0.20 Lakh |
| Tier 2 City | Rs 1.00 Lakh | Rs 0.5 Lakh | Rs 0.15 Lakh |
| Tier 3 City | Rs 0.50 Lakh | Rs 0.25 Lakh | Rs 0.10 Lakh |

|  |  |  |  |
| --- | --- | --- | --- |
| **Non- Refundable Registration charges** | | | |
|  | **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Independent Distributor** |
| Metro/Tier-1 City | Rs 25,000/- | Rs 15,000/- | Rs 7,500/- |
| Tier-2 | Rs 20,000/- | Rs 12,000/- | Rs 6,000/- |
| Tier-3 | Rs 15,000/- | Rs 10,000/- | Rs 5,000/- |

|  |  |  |  |
| --- | --- | --- | --- |
| **Annexure 1 : Minimum Stock table** | | | |
|  | **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Authorized Independent Distributor** |
| Metro /Tier1City | Rs 10 Lakhs | Rs 3.5 Lakhs | Not Required to keep any stock |
| Tier 2 City | Rs 6 Lakhs | Rs 2.5 Lakhs | Not Required to keep any stock |
| Tier 3 City | Rs 3 Lakhs | Rs 1.5 Lakhs | Not Required to keep any stock |

| **Annexure 2 : Monthly Sales Targets** | | | |
| --- | --- | --- | --- |
|  | **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Independent Distributor** |
| Metro/Tier-1 City | Rs 7 Lakhs | Rs 2.5 Lakhs | Rs 1.25 Lakhs |
| Tier 2 City | Rs 4 Lakhs | Rs 1.75 Lakhs | Rs 0.80 Lakhs |
| Tier 3 City | Rs 2 Lakhs | Rs 1.0 Lakhs | Rs 0.40 Lakhs |

**Trade Discounts on MRP:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Authorized Independent Distributor** |
| Metro/Tier -1 City | 17% | 15 % | 12 % |
| Tier 2 City | 16 % | 14 % | 11 % |
| Tier 3 City | 15 % | 13 % |  |

1. A minimum 5 % discount is mandated on MRP to all end-user clients. This discount shall be minimum & distributors are allowed to give more discounts to end-users at their discretion. This 5 % discount (s) shall be borne by Company & shall be credited to the Distributors account after the satisfactory closure of deal & the proof that more than 5 % discount on MRP has been given to end user. It is recommended that additional discount at least more than 5 % may be given by distributor from his contribution.
2. Company shall pay 2 % towards freight from Company Ex- Factory to godown of the Distributor on the cost of products after subtracting the above discounts mentioned at (a) & (b) if purchase directly from Company. Actual transit cost/cartage shall be charged by the company to the Distributor on the invoice by the company irrespective of 2 % reimbursement.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Authorized Independent Distributor** |
| Monthly incentive on achieving above sales targets | 2% | 2% | 2% |
| Monthly turnover incentive upon achieving monthly Sales | Above Rs 10 lakhs - 2 % | Above Rs 10 lakhs - 2 % | Above Rs 10 lakhs - 2 % |
|  | Above Rs 20 Lakhs - 2.5 % | Above Rs 20 Lakhs - 2.5 % | Above Rs 20 Lakhs - 2.5 % |
|  | Above Rs 50 Lakhs - 3 % | Above Rs 50 Lakhs - 3 % | Above Rs 50 Lakhs - 3 % |
|  | Above Rs 100 Lakhs - 3.5 % | Above Rs 100 Lakhs - 3.5 % | Above Rs 100 Lakhs - 3.5 % |
| Annual incentive | 12 times of monthly targets achieved - 1% | 12 times of monthly targets achieved - 1% | 12 times of monthly targets achieved - 1% |

1. **Infrastructure Facilities**

It is compulsory to have the infrastructure facilities as per below details:

| **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Authorized Independent Distributor** |
| --- | --- | --- |
| Should have appropriate Office/storage space at a location in the city which is easily accessible & approachable. Storage facilities should have proper security & safety from natural hazards. | Should have appropriate Office/storage space at a location in the city which is easily accessible & approachable. Storage facilities should have proper security & safety from natural hazards. | In the event ultimate sale i.e. the function of the Facilitator is made by the Independent Distributor, then the Independent Distributor, if required shall have the appropriate/storage space at a location the city which is easily accessible & approachable, valid GST Storage facilities should have proper security& safety from natural hazards. |
| Should have sufficient number of trained office & backend staff - both for sales & accounting management | Should have the appropriate number of trained office & backend staff - both for sales & accounting management | Not Necessary. |
| Display of products is mandatory. Should have appropriate Display space either at office or storage for prominently displaying all products of Company. | Display of products is mandatory. Should have appropriate Display space either at office or storage for displaying all products of Company | Not Compulsory |
| Should have all statutory requirement & GST registration is compulsory | Should have all statutory requirement & GST registration is compulsory | Mandatory where the Facilitator function of sale is done by the Independent Distributor. |

|  | **Authorized Wholesale Distributor** | **Authorized Retail Distributor** | **Authorized Independent Distributor** |
| --- | --- | --- | --- |
| Sufficient Sales& Marketing team | Metro / Tier -1 City - Minimum 1 Sales & Marketing Manager & 3 Sales & Marketing Executives | Metro / Tier -1 City - Minimum 2 Sales Executives | N.A |
|  | Tier 2 City - Minimum 1 Sales & Marketing Manager & 3 Sales & Marketing Executives | Tier 2 City - Minimum 1 Sales Executives | N.A |
|  | Tier 3 City - Minimum 2 Marketing Executives | Tier 3 City - Minimum 1 Sales Executives | N.A |