

Important Guidelines

As a Franchise, the partner should display, promote and sell only and only Orient Electric products and no other brands should be sold or displayed on the same floor. Any deviation to this would lead to immediate termination and interiors (fixtures) cost implication.

Smart Shop is a business entity for the franchise and hence, costs towards promotions and festive decorations shall be borne by Franchise from time to time, as per guidelines and approval from Orient Electric.

The products shall be sold strictly to end consumers and no wholesale or distribution would be allowed from the showroom space. The Franchise is liable to maintain and operate within the recommended selling prices of Orient Electric products in the showroom as communicated by Orient Electric.

The products can also be sold to institutions and projects, provided that Orient Electric should have visibility of documentations and franchise has obtained prior approval of the company in written. Orient Electric team would extend full support in closing such deals.

Sales Management requires transparent and periodic sharing of data such as daily sales report, inventory report, customer footfall, demand forecast, customer feedback, etc on daily basis before the end of business hours. Franchise would facilitate remote access of Point of Sale Software to Orient Electric so that all data is available to Orient on-demand.

The Franchise must mandatorily generate retail invoices from the recommended billing software and sync data on daily basis before close of business hours.

Franchise will evaluate and Orient Electric will validate stock ageing every quarter and accept return of any stock which is not sold for a period of 4 months or more. Any stock with product damage or carton damage (master/product) will not be accepted for sale return. No product would be accepted for sales return which is more than 6 months old. Product liability lies with Franchise until the product is delivered at the concerned Orient Electric Depot. Franchise should ensure that product loading is done as per company instruction.

In cases where the Franchisee initiates termination of agreement earlier than the agreed period, the security deposit will get settled in 60 days post adjustments and settlement of any due recovery/interior liability. However, interest for the said period would be payable to the Franchise.

In the event the Franchise wishes not to renew agreement after agreed period from the effective date, the Franchise can exit the business by returning the stock, provided they are in good saleable condition and with original product packaging provided the stock in-concern is not more than 6 months in ageing.

In cases where Franchise initiate separation during contract period (before contract ends), then Franchise would be liable to pay the full cost of interior/fixtures and store branding. This will be calculated at 33.33% per year depreciation. Franchisee would also be liable to pay the proportionate cost of display products billed at 50% of MRP. If franchise fails to pay the same, the security amount along with interest will be forfeited.

In an event where Orient Electric terminates the contract before agreed term, due to:

- Misconduct from Franchise of any kind, i.e. because rate cutting, stocking & displaying of unauthorized stock, channel disruption, misuse of intellectual property and other unethical practices despite of warnings, or
- If Franchise wants to withdraw within agreement period of 3 years,

Orient Electric shall take only stock in saleable condition, all the costs borne/shared by the Company towards interior/ fixtures (amortized), advertisement, branding and other expenses borne towards the Retail Outlet and any other Orient Electric investment towards the store will be recovered from the Franchise.

In other cases, if Orient Electric seeks to end the contract, then settlement will be done by returning of security after receiving unsold inventory in saleable condition as it billed directly by Orient Electric.