

OFFERS FOR VEHICLE ON LEASE – RENT BASIS

The Maharashtra Electricity Regulatory Commission (MERC) intends to acquire 4 (Four) vehicles on lease-rent basis. The interested service providers should quote their monthly rental charges for 5 years (60 months) and 70000 kms running of vehicles considering the following conditions;

1. Lease rental includes price of new vehicle, road tax, insurance and the cost of additional accessories as per requirement of MERC.
2. The lessor have to take the responsibility of repairs and maintenance, which will include all manufacture scheduled services, non scheduled services (e.g. breaks, battery replacement, mechanical and electrical faults, exhaust components, tyres etc.) without additional cost to the MERC.
3. The lessor should provide alternate vehicle on following day in case a vehicle is detained in the workshop beyond a day for repairs or any other work of vehicle.
4. The lessor should provide door to door service while the vehicle is undergoing maintenance and repairs.
5. The lessor should provide services within the contracted area i.e. Mumbai, Thane, New Mumbai, Pune & Nashik.
6. The lessor should pay the cost of stamp duty, registration charges, legal charges etc for registration of Lease Agreement.
7. The lessor should take care for registration of Lease Agreement with appropriate authority.
8. The lessor should take entire care of vehicle repairs, matters relating to accidents, insurance claims, etc.
9. The MERC will not make any additional payment on account of minor or major repairs.
10. In the unfortunate situation of an accident, the help should be made available by the Lessor.
11. Lease Period for 5 years (60 months).
12. Estimated Average 70000 kms of Running of Vehicle in 5 years. In case the running of vehicle exceeds 70000kms, rate of such extra kms may be quoted separately in the offer document.
13. Lessor should submit offer for model of Honda City : City 1.5 E MT, City 1.5 S MT, City 1.5 V MT, City 1.5 V AT,
14. Lease Agreement documents may be finalized mutually.
15. Lessor to submit their profile i.e. turnover, list of the organizations to whom services was provided, years in business, registration certificates, etc.

16. Lessor to submit their Financial & Technical offer in two separate sealed envelopes. Financial Offer includes only monthly lease rental charges etc. and Technical offer includes services to be provided by lessor, terms and conditions for providing services, their company profile, experience of lease business etc.

The Commission reserves the right to reject any or all offers without assigning any reason.

The interested vehicle leasing company/organization/party may submit their sealed offers to the Secretary, MERC within 15 days from the date of release of this advertisement on following address;

The Secretary,
Maharashtra Electricity Regulatory Commission (MERC),
13th Floor, Centre-1, World Trade Centre,
Cuffe Parade, Colaba,
Mumbai-400 021.

Sd/-
(K. N. Khawarey)
Secretary, MERC.

Date: 24.09.2010
Place: Mumbai

TERMS AND CONDITIONS OF VEHICLE LEASE AGREEMENT

1. Purpose of the Contract

- 1.1** The purpose of this contract is to define the conditions under which Lessor will supply the Lessee with one or more motor vehicle(s) in the form of a long term lease agreement without a purchase option.

The Lessee accepts the risks for the vehicle(s) over which it has the custody thereof and is liable in accordance with the provisions under the Motor Vehicles, Act 1988 (“the Act”)

2 Formation of the Contract

2.1 Contractual Documents

This Lease Agreement sets out the general lease conditions, associated services and obligations of both the Lessor and the Lessee. Each individual vehicle leased by the Lessee will contain other specific terms and conditions as set out in a vehicle quotation (“vehicle lease contract”) signed by the Lessor and the Lessee such as contracted kilometres, duration and specification of all services included within each vehicle lease contract and shall be read along with this MLA. The Optiflex Matrix shall form the basis for possible recalculation of the lease rentals upon termination of the contract. If no separate Optiflex Matrix is provided then the vehicle lease contract shall be the sole basis for the monthly lease charges.

At the time of vehicle return to Lessor, the exact kilometers and months elapsed shall be the basis to determine the monthly lease charges (excluding taxes and insurance premium) to be applied as per the Optiflex Matrix. The value appearing in the matrix corresponding to the “kilometrage” and “nearest lowest month” shall be applied. The difference arising if any, shall be settled between Lessor and Lessee within 30 days from the date of termination of the vehicle lease contract.

2.2 Effective Date of Vehicle Lease Contract / Term

The vehicle lease contract is formed upon the vehicle quotation noted above being signed by the parties. This signed vehicle quotation creates a firm and binding contract on behalf of both parties to enter into the lease contract and forms the basis of the raising of the purchase order on the dealer / manufacturer by Lessor for acquisition of the vehicle. In the event that the Lessee causes cancellation of, or instructs Lessor to cancel a purchase order with the supplier of the vehicle, or the Lessee shall refuse or be unable for any reason to accept delivery, Lessor shall be entitled to terminate the vehicle lease contract of the aforesaid vehicle and the Lessee shall pay to Lessor within ten (10) days of receipt of written demand of all costs, charges, expenses, damages, if any incurred by Lessor arising out of such action by the Lessee. The vehicle lease contract takes effect on the day when a vehicle is delivered to the Lessee and applies until the day of its return inclusive. Unless earlier terminated (as per clauses 13 of this MLA), the contract shall be terminable at the end of this lease period without the need for either party to carry out any formality.

3 Ownership

- 3.1** Save as otherwise provided in this MLA, no right, ownership, title or interest in the vehicle shall pass to the Lessee by virtue of these presents. The Lessee shall at no time contest or challenge the Lessor’s sole and exclusive ownership right, title and interest in the vehicle and the Lessee shall not assign, sublet, hypothecate or otherwise encumber the vehicle. The Lessor and the Lessee hereby confirm that their intent is that the vehicle shall at all times remain the property of the Lessor. For the purposes of the Act and the provisions thereof, the vehicle shall be registered in the name of the Lessee and the Lessor shall be registered therein

as the financier under this MLA and the Lessee shall be fully liable and responsible for all the obligations, liabilities and duties as provided under the Motor Vehicles Act or under any other law or instrument pertaining to the use of the vehicle. The Lessee undertakes and hereby authorizes the Lessor to have the said registration transferred in the name of the Lessor or its nominee on the termination and/or expiry of the Lease and/or requiring possession thereof for whatever reason at any time during the currency of this MLA or whenever required to do so. Conditional upon the Lessee's compliance with and fulfillment of the terms and conditions of this MLA and the vehicle lease contract, the Lessee shall have the right to have exclusive peaceful possession, operation and use of the vehicle for the full term of the Lease.

4. Lessee's Warranties

4.1 The Lessee warrants that the execution of this MLA and the vehicle lease contract and the use and operation of the vehicle by the Lessee will not:

- (a) contravene the provisions of any law, statute, rule and regulation to which the Lessee is subject and/or the Lessee's Memorandum and Articles of Association;
- (b) result in any breach of any agreement or arrangement to which the Lessee is a party.

4.2 The Lessee warrants that it has obtained all consents, licenses, approvals as are necessary for or in connection with the execution, validity and enforceability of this MLA and the vehicle lease contract and for the use and operation of the vehicle and undertakes to keep them effective and in force at all times during the period of this MLA and till the vehicle is delivered back to Lessor as specified in this MLA.

4.3 In case of a vehicle purchased from and leased back to the Lessee, the Lessee is responsible for providing all related sale documentation including the endorsement of Lessor's name as Financier and transfer of name, if required, in the Registration Certificate of the vehicle. In case the required documents are not available or the transfer of name is not allowed by the concerned registration authorities, the Lessee agrees the same shall give rise to early termination and the consequences of early termination per clause 14 of this MLA shall apply. The Lessee undertakes to provide all documents required to effect the transfer of ownership within 15 days of the transfer of funds to purchase the vehicles.

5 Fleet Management Services

5.1 During the lease period and only within the Contracted Area (the city limits within which fleet management services can be availed by the Lessee as detailed in the relevant vehicle lease contract), the Lessor agrees to provide the following Fleet Management Services where requested. Any proposed change in the area of usage must be notified immediately to Lessor. Specific services applicable to each vehicle will be reflected in the relevant vehicle lease agreement.

5.2 The Lessor arranges for the **acquisition** of the vehicle from relevant dealer or manufacturer.

5.3 The Lessor shall arrange with the respective dealer to have the vehicle ready for **delivery**. The Lessee shall take delivery of the vehicle from the dealer's premises. Alternatively, at the Lessee's request, the vehicle may be delivered to the Lessee's address. Any damages to the vehicle in transit from the dealer's premises to the Lessee's address shall be treated as an accident case and the repair will be covered as per the coverage contracted for.

Upon delivery of the vehicle, a receipt acknowledging this fact in the form of a "**Vehicle Delivery Form**" must be received by the Lessor within 2 (two) working days either by post,

courier or e-mail. A failure on the part of the Lessee to send a copy and / or the original of the accepted delivery form will neither affect any of the rights available to the Lessor nor the obligations of the Lessee contemplated in this MLA. If the signed delivery form is not received then the date of the dealer / manufacturer invoice of the vehicle plus 2 (two) days will be deemed to be the contract commencement date for the purposes of raising billings.

- 5.4 After taking delivery of the vehicle, the Lessee shall be responsible for having the vehicle registered with the Transport Authorities within the due time limits and pay the applicable road taxes on the vehicle or to ensure that the same is done as per applicable Motor Vehicles law. Where the Lessee requests the Lessor to arrange for the **registration** of the vehicle with the Transport Authorities on its behalf, the related **road tax** charges shall be reimbursed to the Lessor by the Lessee by inclusion within the monthly lease recoveries. It shall be the responsibility of the Lessee to provide necessary documentation including proof of address required for the vehicle registration process.
- 5.5 The Lessor shall arrange for appropriate comprehensive **insurance** cover of the vehicle. The insurance policy shall be in the name of the Lessee and the Lessor shall be endorsed as the financing institution and the loss payee therein. The premium for the insurance policy shall be paid each year by Lessor in the first instance and the same shall either be reimbursed to Lessor by the Lessee or will be included in the monthly lease rate as determined by the individual vehicle lease contracts. All insurance claims shall be made to Lessor or to its agents as may be authorised from time to time.
- 5.6 The Lessor is responsible for the **maintenance and servicing** of the vehicle during the agreed lease period. Lessor enters into agreements with its authorised dealer workshops and other authorised service providers for maintenance and servicing of its vehicles. Vehicles shall be maintained and / or serviced only at such authorised service providers. In the event that any invoice is received from a service provider that is not authorised by Lessor, lessor reserves the right to refuse to honour such invoices and charge such amounts to the Lessee.
- 5.7 The Lessor may offer a **door to door** service while the vehicle is undergoing maintenance and repairs. Where the Lessee accepts such a service, any damages to the vehicle during this process will be treated as an accident and will accordingly be dealt with in the same way as an accident repair as handled by Lessor and shall be as per the coverage contracted for.
- 5.8 The Lessor arranges for a **relief** vehicle in certain selected cities as specified in the relevant vehicle lease contract. For normal service repair and maintenance, if a vehicle is detained in a workshop beyond a day, Lessor shall provide a back-up / relief vehicle the following day. This shall not apply to accident, damage repairs, theft or total loss cases unless specified in the supply conditions in the vehicle lease contract. The relief vehicle may be invoiced as part of a package defined in the vehicle lease contract or on demand and not included in a package. Where it is invoiced as part of a package, providing the supply conditions within this package are met, the costs of providing the relief vehicle will be met by Lessor for renting a vehicle in the contracted category with standard fittings within the contracted area. Lessor shall invoice the Lessee for any use of a relief vehicle outside the city limits or beyond the contracted area. Relief vehicle services provided outside of the vehicle lease contract will be at the Lessee's request and will be charged separately.
- 5.9 The Lessor provides 24 (twenty four) hour **emergency breakdown** services in certain selected cities in case the vehicle is immobilised on the road as specified in the relevant vehicle lease contract.

5.10 The Lessor provides a **partial damage loss waiver service** whereby it pays the difference, if any, between the damage repair invoice of the authorised service provider and that reimbursed by the insurance company for eligible claims. This service is available if provided for in the relevant vehicle lease contract. This service will not be available in the event of theft of a vehicle / parts or total loss or if the insurance company declares a claim to be invalid. Lessor reserves the right to withdraw this service for future vehicles after giving a written notice to the Lessee. In case of any adverse claim histories, Lessor also reserves the right to revise the damage waiver charges for the existing vehicles.

5.11 Notwithstanding anything noted above, the Lessee may take up an option to exclude any or all of the fleet management services detailed in clause 5.5 to 5.10. The services contracted for will be included in the relevant Vehicle Lease Contract.

Where the Lessee takes up an option to exclude the cost of maintenance from the lease rate, the Lessee will be responsible for the following (this is to be read with clause 5.6 and 6.11)

- to ensure that all scheduled and non-scheduled maintenance is carried out only at Lessor authorised dealer workshops and other authorised service providers
- to ensure that all scheduled maintenance is carried out in accordance with the manufacturers' specifications ensuring that all warranty conditions are met
- to ensure that all non-scheduled maintenance is carried out as required to ensure that the car is maintained in good working order
- to ensure that copies of all maintenance repair orders, invoices etc. relating to the above are sent within 5 working days to the Lessor
- to settle the costs of maintenance incurred above directly with the respective authorised dealer workshops and other authorised service providers
- within three months of the expiry of the normal lease term the Lessee will agree to have an inspection of the vehicle carried out at an Lessor approved service provider to ensure that the vehicle condition meets the definition of "standard condition" as defined in clause 7.2 of this MLA and where this condition is not met, rectification work will be required as per clause 7.3.
- Clause 6.15, 6.14 a) ,b) & c) shall not apply
- Clause 6.13 is to be read as :

The Lessee is responsible for notifying the Lessor, prior to any maintenance work (including replacement of tyres & batteries). A supplier approved by the Lessor shall perform all maintenance work. All risks and damages in view of the repairs done by non-approved supplier shall be on account of the Lessee. Lessor reserves the right, in the event of abnormal consumption of consumable elements that can be easily removed (headlight bulbs, batteries, brake pads etc.), to have the vehicle undergo a technical inspection by an approved service provider.

6 Vehicle Custody, Use, Maintenance and Repairs

6.1 Upon delivery, the Lessee should inspect the vehicle to confirm that it meets the requirements of their order. Details of the vehicle and the related terms should be checked with the vehicle lease contract. Upon request, the Lessee undertakes to allow the Lessor to apply a visible indication inside the vehicle, at a place of Lessor's choice.

6.2 By taking possession of the vehicle, the Lessee accepts legal custody thereof. It will bear the consequences of any event occurring during the lease period making the Lessee liable towards third parties and/or immobilizing the lease vehicle, whether covered by its insurer or not as per the Act. If the vehicle is immobilized for any reason, the Lessee may not claim any compensation from Lessor. The Lessee's liability will extend to the consequences of events

arising during the lease period but causing prejudice that is not revealed until after the vehicle is returned to Lessor. All liabilities whether financial or legal arising during the term of the vehicle lease contract shall survive the termination of the vehicle lease contract or this MLA.

- 6.3** The Lessee agrees to comply with all laws, rules and regulations relating to the transportation, possession, operation and use of the vehicle and assumes all liabilities including injuries to or death of persons arising from or pertaining to the same. The Lessor makes no express or implied warranties including those of merchantability or fitness for the particular use of the vehicle. The Lessee does hereby indemnifies and agrees to keep indemnified and hold safe and harmless the Lessor against all such liabilities and also against loss of vehicles by seizure by any person other than the Lessor for any reason whatsoever or resulting from any legal process instituted by any person other than the Lessor. This Indemnity Clause shall survive the termination of this MLA and the relevant vehicle lease contract, in so far as they pertain to the events/ occurrences that transpired during the period of the lease. Any fees, taxes, or other charges legally payable by the Lessee in relation to the possession and use of the vehicle and which is paid by the Lessor in the event of the Lessee's failure to pay shall at the Lessor's option shall become immediately due from the Lessee to the Lessor.
- 6.4** In the event of vehicle seizure, the Lessee undertakes to advise Lessor without delay, to make all declarations and to take all steps to protect the Lessor's property rights. If release proves impossible within 10 (ten) days of the seizure, the vehicle lease contract will be terminated automatically, with the responsibility resting exclusively with the Lessee, which must then pay the Lessor such termination compensation specified in clause 14 (b) of this MLA below. The Lessee shall also reimburse the Lessor for all expenses and costs resulting from this seizure.
- 6.5** The Lessee agrees to ensure that the vehicle is kept free of a lien, mortgage, pledge, loan or lease and to not sell or attempt to sell or transfer the vehicle. The Lessee agrees not to assign or sublet the benefit of this MLA. Any changes in corporate ownership of the Lessee must be notified to the Lessor in order to ensure that documents and records are updated and in place. Any liabilities arising shall be the sole responsibility of the Lessee.
- 6.6** The Lessee agrees not to suffer or permit the vehicle to be used for the purposes of any modifications, racing, pace making, rallies, reliability trials, speed testing, driving tuition, a public transport or vehicle on hire or to be used by any person who does not hold a valid driving license.
- 6.7** The Lessee must use the vehicle in compliance with the traffic laws and regulations. The Lessee may not carry out any type of conversion that modifies the vehicle's characteristics as defined by the government vehicle testing service.
- 6.8** The Lessee will ensure the safekeeping of the vehicle documentation that has to be produced on demand by the police or representatives of the tax authorities. If these documents are lost or stolen, the Lessee will bear the cost of obtaining duplicates.
- 6.9** The Lessee will bear all current and future expenses, duties, taxes, levies, fines and penalties relating to the hire, possession and use of the vehicle. Lessor must be reimbursed for such costs immediately on request if it has advanced them.
- 6.10** The Lessee shall not, without prior written approval from Lessor, which shall not be unreasonably withheld, take or leave the vehicle outside the Contracted Area on a permanent basis. If the vehicle is left outside the Contracted Area, the Lessee shall bear the full responsibility for the transportation of the vehicle, all financial risks and all costs in connection therewith shall be charged to the Lessee. All obligations of Lessor with respect to

the vehicle shall cease while the vehicle is taken outside the Contracted Area. If the Lessee does not take the necessary steps for the transportation of the vehicle, Lessor shall have the right to transport the vehicle itself or take the necessary steps to have it transported and the Lessee shall reimburse Lessor or any other person instructed by Lessor for any costs incurred in this connection. The Lessee irrevocably authorizes Lessor to take such steps without reference to the Lessee.

- 6.11** For the entire contract period, the Lessee must use the vehicle under normal conditions, maintain in good working order making basic checks such as engine oil levels and ensure that the vehicle undergoes services recommended by the manufacturer and any necessary repairs carried out including tyres and batteries through Lessor or its approved service provider and according to the handbook published by the manufacturer.
- 6.12** If the user of the vehicle is not an employee of the Lessee or the vehicle has been allotted to another employee, Lessor must be immediately given the name of the person with all required details authorized by the Lessee to drive the lease vehicle.
- 6.13** The Lessee is responsible for notifying the Lessor, prior to any maintenance work (including replacement of tyres & batteries). A supplier approved by the Lessor shall perform all maintenance work. If a non-approved supplier performs work, Lessor will cross charge the Lessee the difference between the rate charged by the non-approved supplier and the rate negotiated with its approved suppliers. All risks and damages in view of the repairs done by non-approved supplier shall be on account of the Lessee. Lessor reserves the right, in the event of abnormal consumption of consumable elements that can be easily removed (headlight bulbs, batteries, brake pads etc.), to have the vehicle undergo a technical inspection by an approved service provider.
- 6.14** Vehicle maintenance services exclude the following:
- a) Fuel and additives
 - b) Washing & cleaning, polishing, anti-rust treatment, teflon coating, flat tyres and parking
 - c) Additional accessories, fitments, repairs or consequential repairs arising out of such fitment on the vehicle, not originally fitted by the manufacturer (accessory fitted by an authorized dealer(s) is also part of the exclusion)
 - d) Any repairs resulting from abnormal use of the vehicle, failure to follow the manufacturer's handbook and service book, faulty use (lack of oil, driving with a warning light on etc.) or a problem due to poor fuel quality or a fuel error.
- 6.15** Lessor will pay approved service providers directly for repairs provided. If the Lessee in an exceptional circumstance pays a repairer for an invoice, this will be reimbursed. The invoice must be drawn up directly by the approved repairer in Lessor's name and receipted, or issued by the Lessee in Lessor's name and accompanied by a copy of the repairer's invoice, drawn up in the Lessee's name and receipted. A lessor undertakes to facilitate the maintenance operations carried out by repairers but may not be held liable for any failings or delays by the repairer.
- 6.16** The Lessee undertakes to present the vehicle for any official technical inspections that it must undergo under the appropriate regulations. Should the Lessee fail to observe the dates specified by the regulations, it will bear all the consequences including consequences under the rules and regulations.

7.0 Vehicle Return

- 7.1 Upon the normal or early termination of the vehicle lease contract, the Lessee will, unless otherwise agreed, return the vehicle at its expense and on its responsibility to the location where the vehicle was originally collected at the inception of the contract. Any costs and expenses incurred to recover the vehicle shall be reimbursed to Lessors based on an invoice issued by them for these charges.
- 7.2 The vehicle must be returned with all documentation, duplicate keys, vehicle registration document, valid road tax / annual tax receipts, fitness & permit etc. and with its accessories. It must be in at least "standard condition" which is defined as a vehicle that has been subjected to normal wear and tear considering the duration and kilometrage of the vehicle.
- 7.3 The vehicle shall be made good as per the services agreed to in the vehicle lease contract. The Lessee will be invoiced for any repairs necessary to remedy the above which is not part of the vehicle lease contract or if proper documents are not supplied to Lessors to fulfill its service obligations. The Lessee hereby covenants not to make any alteration, addition or improvement to the vehicles or change the condition thereof without the prior written consent of the Lessor in writing. In the event the Lessee carries out any material alteration to the vehicles that may adversely affect the life, condition or market value of the vehicle, the Lessee shall, upon written demand of the Lessor, make good the damage caused by such a modification carried out by the Lessee.
- 7.4 If the joint examination shows that the vehicle has been involved in an accident, the quality of the repairs effected will be examined. If the repairs have been carried out without informing Lessors in writing in advance or not complying to professional standards or are defective for any reason, the same will be remedied at the expense of the Lessee, which will then be obliged to pay the lease charges until the repairs undertaken by Lessors have actually been completed.
- 7.5 The Lessee, jointly with a representative of the organization to which the vehicle is returned, acting on Lessors's behalf, will draw up a **Vehicle Return Report** recording the differences between the "standard condition" defined above and the actual condition of the returned vehicle. If the condition of the returned vehicle is not in a standard condition, the Lessee will pay Lessors or its representative, reasonably substantiated expenses for it to comply with the necessary repairs to bring into a standard condition. The date of the vehicle return report will determine the date of transfer of the risks. In the event of any disagreement over the condition of the vehicle by the Lessee, any reservations must be discussed and agreement reached on the vehicle condition prior to both parties signing off the vehicle return report.

The Lessee must send the vehicle documentation to Lessor within 48 (forty eight) hours of the return of the vehicle under the conditions specified above. The Lessee must return the original and duplicate keys to the vehicle and the code cards and master keys that may be attached to possession of the vehicle within the same timescale. In any event, Lessor may, on demand with supporting documents, cross-charge the Lessee for all expenses incurred, particularly those caused by the absence of the code cards or master keys, plus expenses for the safekeeping of the vehicle, until all the documentation has been received.

- 7.6 In the event that the Lessee does not return the vehicle as per above, Lessor may terminate the contract for the said vehicle as per clause 13.1 of this MLA below which shall be binding on the Lessee or through its authorized agencies shall be entitled to repossess the vehicle. All cost and expenses incurred shall be borne by the Lessee. The Lessee irrevocably and unconditionally authorizes Lessor or its authorized agencies to take physical possession of the vehicle. Lessor may exercise such right to repossess at its complete discretion. This however, does not in any manner diminish the Lessees liabilities and obligations as per this MLA or the vehicle lease contract.

7.7 Upon such surrender of the vehicle, the Lessor reserves the right to dispose off the vehicle in any manner as the Lessor may deem fit and may appoint the Lessee as its agent for such disposal.

8 Insurance

8.1 In the event of any damage being sustained to the vehicle, the Lessor must be notified within 24 hours of its occurrence and to hand over the damaged vehicle to Lessor or its authorized agency whether or not a claim is being made against the insurers, and to permit the vehicle to remain for the purposes of repairs.

8.2 All insurance and damage related issues shall be subject to the terms, general exceptions, conditions and endorsements contained in the insurance policy. The Lessee authorizes Lessor to do all such acts and deeds and take all necessary steps as may be required in the circumstances including steps to retrieve the vehicle, appear before competent authorities, furnish bonds, etc on behalf of the Lessee.

8.3 The Lessee agrees not to do or permit or suffer to be done any act or thing, which may make void or void able any policy of insurance covering the vehicle or render the policy monies irrecoverable or any act or thing which may invalidate the manufacturers warranty applicable to the vehicle. If no claim made on account of an act of omission or commission on the part of the Lessee the Lessee alone shall be liable for such claim to Lessor.

8.4 Damage coverage for vehicle or accessory:

a) Partial damage, the difference amount between the actual amount incurred in repairing the damage to the vehicle and the actual amount recovered under the insurance policy for the said claim. Such difference if any shall be payable by the Lessee based on an invoice raised by Lessor unless partial damage loss waiver protection has been taken out. Damage waiver covers partial damage for a standard vehicle. It does not cover additional accessories fitted to the vehicle, partial theft, total theft or total loss and claims which are not eligible or rejected by an insurance company.

b) Partial theft/ malicious damage, the Lessee shall obtain from the nearest police station a copy of the First Information Report ("FIR") that clearly specifies the vehicle details and to furnish Lessor with all relevant documents. Subsequent settlement shall be same as that for partial damage.

c) Theft or Total loss, the Lessee shall obtain from the nearest police station a copy of the ("FIR"), a No Trace Certificate (if applicable) from the same police station, a letter on the Lessee's letter head authorizing Lessor to obtain all necessary documents relating to this incident. The Lessee shall forthwith deliver to the Lessor all such documents, original keys (with duplicates) and information as the Lessor may from time to time require in order to effect a settlement with the insurance company.

In case if vehicle is not certified 'not traceable' or for some reason the claim is not eligible for settlement by the insurance company, the vehicle lease contract shall be terminated in accordance with clause 14.1 of this MLA below as applicable

8.5 Under no circumstances shall Lessor be held liable towards the Lessee or a third party. Any such liabilities arising during the normal lease term shall be the sole liability of the Lessee which it shall meet from its third party liability coverage, unless such liability arises from gross negligence of Lessor.

- 8.6** The Lessee undertakes to facilitate the settlement of all cases of damage by providing relevant information from time to time and taking all the steps required, on request by Lessor. Lessor reserves the right to initiate an investigation in the event of any loss occurrence.
- 8.7** Whilst holding an option to seek expert advice, Lessor may itself decide whether a vehicle should be repaired. No repairs will be carried out if the vehicle is technically no longer repairable or if the costs of repair are disproportionate to the then book value and / or its remaining duration.
- 8.8** Goods carried in the vehicle will not be insured by Lessor under any circumstances, including cases of cooling failure. The Lessee must therefore take out an insurance policy for such goods with a waiver of recourse against the Lessor. Any damage caused to the vehicle due to above shall be repaired at the cost of the Lessee.
- 8.9** The Lessee agrees that all insurance proceeds shall be applied:
- (a) in making good the damage, or
 - (b) in replacing the vehicle or any item thereof by other similar vehicle or item to which the terms of this MLA shall apply provided that in the event of irreparable loss or damage to the vehicle as a whole, the Lessor shall be entitled to terminate this MLA or the relevant vehicle lease contract as the Lessor may decide and the Lessee shall promptly pay to the Lessor the amount of future receivables then remaining unpaid for lease period computed in the manner set out in clause 14 (b) of this MLA. The Lessor shall, in such event, refund to the Lessee any insurance claim subsequently received by the Lessor.
- 8.10** Where it is agreed between Lessor and Lessee to purchase only the statutory minimum coverage from an insurance company, the Lessor undertakes to meet directly the costs of any repair work carried by workshops in consideration of a monthly fee included in the relevant vehicle lease contract. In such cases, where there is a theft or total loss, the Lessor shall exempt the Lessee from all obligations pertaining to the specific vehicle lease contract upon payment of a one time fee equivalent to 3 (three) months lease rentals at the date of the particular theft or total loss. Where the Lessee fails to fulfill its obligations as mentioned above with regard to a theft or total loss, the Lessor retains its right to terminate the relevant vehicle lease contract under the provisions of Clause 14.1. Where the Lessor notes an abnormal history of thefts or total losses in respect of any vehicle lease contract, it reserves the right to review this arrangement.

9. Term and Kilometrage

- 9.1** Before the specific conditions are signed, the Lessee will assess the lease period and the distance in kilometers that it expects the vehicle to travel during this period. These estimates, on which the calculation of the lease charges is based, will be stated in the relevant vehicle lease contracts.
- 9.2** Should the maximum technical kilometrage stated in the relevant vehicle lease contracts and the end of the vehicle lease contract period be exceeded in the absence of Lessor's agreement, any additional kilometers traveled beyond these limits will be invoiced in accordance with the vehicle lease contracts which will be in addition to the monthly lease rental.
- 9.3** The kilometrage is an essential factor in the economics of the vehicle lease contract so Lessor may demand the kilometrage of the lease vehicle at any time. The Lessee must ensure that the dashboard kilometrage counter remains in working order at all times and notify Lessor of

any malfunction by e-mail without delay. In the event of any defect in the kilometreage counter, Lessor will be entitled to apply, from the date of the latest proven reading until the date of repair of the counter, a daily kilometreage calculated according to the average distance actually traveled by the vehicle since coming into service, as observed on the date of the latest proven reading.

9.4 In the event of any tampering with the kilometreage counter, Lessor will be entitled to terminate the relevant vehicle lease contract under the conditions laid down in clause 13.1 of this MLA below.

9.5 The total term of the vehicle lease contract shall not exceed a period of 60 months from its first day of purchase by the first owner.

10 Imposts, Taxes and Other Charges

10.1 The Lessee shall maintain the vehicle during the period of this MLA and till the vehicle is delivered back to the Lessor in good working order and condition, bear all impost, charges and other duties, taxes and penalties as may be levied from time to time by the Central and/or the State Government or local Municipal or any Government Agencies. If the Lessee fails to pay the monies referred to hereinabove, the Lessor may pay the same and the Lessee shall reimburse all sums so paid together with interest @ 15% p.a.

11 Invoicing and Payments

11.1 All invoices shall be raised monthly in advance. Invoices shall be sent as a soft copy by 30th of the month which is payable by 3rd of the following month by the Lessee. For new vehicles delivered during the month, invoices for the same shall be raised for the period from the date of delivery up to the end of that month and this will be forwarded along with the regular monthly invoices of the subsequent month

11.2 Invoices are deemed payable immediately at the date of the invoice irrespective whether the vehicle is in actual use or not or is undergoing repairs or maintenance. A soft copy of the invoice is deemed sufficient for the purposes of requesting settlement of amounts due to the Lessor.

11.3 Any amounts not paid by the contractual payment date will give rise to the payment of default interest at the rate of 15% per annum. However, these penalties will only be due if Lessor serves a formal notice to pay referring to its decision to claim them.

11.4 The Lessee irrevocably agrees that the lease amount/rentals will be increased by any incremental taxes whether Sales Tax, VAT, Lease Tax, Service Tax or Excise Duties and/or change in the depreciation rates or any other related and consequential charges levied on this transaction now or hereafter as also by any increase in the purchase price of the vehicle in the intervening period between placement of the order and its acceptance and the eventual delivery of the vehicle. Where any of the above items result in a reduction in the purchase price of the vehicle in the period between placement of the order and its acceptance and the eventual delivery of the vehicle, Lessor agrees that the lease amount / rentals will be decreased accordingly.

12. Amendments during the Contract

12.1 The Lessee may request the amendment of contractual terms at one time during the lease term.

12.2 Amendments to the lease period and kilometreage must enable actual use of the vehicle under the addendum concluded while correcting observed or foreseeable differences. Such amendment request shall only be made / considered after completion of first 12 months after contract but not made within the last 12 months of the contract. Where the Optiflex Matrix is opted for the charges for the revised term and kilometrage shall be applied as per the corresponding Optiflex Matrix attached to the relevant vehicle lease contract.

12.3 Any recalculations must be carried out on the basis of the parameters applying when the contract was originated. On the date of the amendment, an adjustment will be applied for the elapsed period and will result in a credit note or an invoice. This clause shall not apply where Optiflex is opted for.

12.4 Maintenance, Insurance and Damage Repair services may not be cancelled during the contract.

12.5 Amendments to services will take effect on the first day of the month following the request. And where Optiflex is opted for the new Optiflex Matrix shall be signed and attached with the amended vehicle lease contract.

12.6 The Lessor reserves the right to effect a contract amendment where it considers that the estimated kilometreage is likely to be at significant variance from that envisaged in the vehicle lease contract.

13. Early Termination of the MLA and / or Vehicle Lease Contracts

13.1 This MLA or the relevant vehicle lease contracts, as the Lessor may at its sole discretion decide may be terminated automatically in any of the following events.

- (a) the Lessee fails to comply with any of its obligations under this MLA, particularly by defaulting on the lease charges in principal or incidentals and such default continues for five days of receipt of written notice thereof to Lessee.
- (b) Lessee shall commit an act of bankruptcy or become insolvent or bankrupt or make an assignment for the benefit of creditors, or consent to the appointment of the Trustee or Receiver, or either shall be appointed for the Lessee or for a substantial part of its property or bankruptcy, re-organisation or insolvency proceedings shall be instituted by or against the Lessee, voluntary, or otherwise; or
- (c) Lessee shall suffer an adverse material change in the financial condition from date hereof, and as a result thereof, Lessor deems itself or any of its vehicle to be insecure; or
- (d) Lessee shall be in default under any other lease agreement at any time executed with the Lessor has been declared to have been in default by any bank or financial institution; or
- (e) Lessee does or suffers any act or thing or omits to do or suffer any act or thing whereby or in consequence of which the vehicles may be or are likely to be endangered, attached or taken in execution under any legal process or by public authority; or

- (f) Lessee by any act or omission gives to the Lessor reasonable grounds to consider that its rights may be prejudiced or be in jeopardy.
- (g) A complete write-off of a vehicle. In the event of definitive theft, termination will take effect ninety days after the date of the theft. Provided however, if the vehicle is discovered within ninety days and declared a write-off, the date of effect of termination will be the date of the discovery of the vehicle. If the estimated cost of the repairs exceeds the difference between the market value according to an independent adjuster and the accepted salvage value (best purchase offer made to the Lessor), Lessor reserves the right to declare the vehicle non-repairable and thus give rise to termination of the vehicle lease contract at the time of this declaration. In the event of a total loss, the vehicle lease contract shall be terminated immediately.

13.2 Where the Lessee informs Lessor in writing that it wishes to terminate this MLA and / or the relevant vehicle lease contracts, this will give rise to termination even though the contractual periods and kilometreages have not been reached. Such termination will take effect 15 days following the receipt of this request to terminate from the Lessee. A termination shall not be done in the last six months of the lease period.

14 Consequences of Early Termination

14.1 On the occurrence of any of the events under clause 13.1 and 13.2 or at any time thereafter, the Lessor shall be entitled to:

- (a) with prior notice, to remove and repossess the vehicle and for that purpose by itself, its servants or agents enter upon any land, building or premises where the vehicle is situated or is reasonably believed by the Lessor to be situated for the time being, and remove and dismantle the same and the Lessor shall not be responsible for any damage which may be caused by any such dismantling or removal of the vehicle.
- (b) without prejudice to and in addition to the Lessor's rights provided hereinabove, to recover from the Lessee and the Lessee shall be bound to pay to the Lessor the following amount, viz :
 - (i) Outstanding lease rentals along with simple interest @ 15% per annum from the date of default in payment and till the date of actual payment.
 - (ii) Where Optiflex is not been opted for, one third of future lease rentals including the prepaid insurance and road tax. Where Optiflex has been opted for the amounts as per the Optiflex Matrix for the relevant kilometrage and duration of the lease at the time of termination shall apply together with the prepaid insurance and road tax.
 - (iii) The cost of all repairs and maintenance of the vehicle to render and maintain in good working order and condition and all costs, charges and expenses incurred by the Lessor in repossessing the vehicle and in enforcing its remedies howsoever occasioned. The parties hereto agree and record that the amounts to be paid by the Lessee to the Lessor as aforesaid have been bona fide and satisfaction estimated to be the proper and reasonable amount that may be suffered by the Lessor as and by way of liquidated damage. Notwithstanding anything to the contrary herein contained, in the event of such termination the Lessor shall also be entitled to sell, re-lease otherwise dispose off the vehicle in such manner as the Lessor may think fit and the Lessor shall not be bound to account to the Lessee in any manner whatsoever; and

15 Waiver

Any expressed or implied waiver by the Lessor of any default shall not constitute a waiver of any other default by the Lessee or a waiver of any of the Lessor's right. All rights and powers of the Lessor under this MLA will remain in full force, notwithstanding any neglect, forbearance or delay in the enforcement thereof by the Lessor, and the Lessor shall not be deemed to have waived any of the Lessor's rights or any provisions of this MLA or any notice given hereunder unless such waiver be provided in writing by Lessor and any waiver by the Lessor of any breach of the Lessee of this MLA or the relevant vehicle lease contract shall not be deemed a waiver of any continuing of recurring breach by the Lessee of this MLA or the relevant vehicle lease contract.

16 Assignment

The Lessor may charge or delegate to any person any of its rights under this MLA and the vehicle lease contract and any person to whom such rights are charged or delegated shall be entitled to the full benefit of the right(s) of the Lessor under this MLA and the vehicle lease contract. The Lessee shall not assign its rights or obligations under this MLA or the vehicle lease contract without the prior written consent of the Lessor.

17 Stamp Duty

The Lessee shall pay to the Lessor upon demand the stamp duty and registration charges, if any, payable on this MLA, and its duplicate and all lease agreements, deeds, writings and documents executed by and between the parties hereto in respect of the vehicles.

18 Arbitration

For any dispute arising over the interpretation, performance or termination of this agreement, such arbitration shall be governed by the Arbitration & Conciliation Act, 1996 and the venue of such arbitration shall be at Mumbai.

In witness whereof the parties hereto have caused these presents to be executed in duplicate on the day, month and year and in the form and manner mentioned herein below.

LESSOR

Signed and Delivered by the within named

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Signed and Delivered by the within named

Date: XXXXXXXXX