

AMC - Memorandum of Understanding (MoU)

THIS MEMORANDUM OF UNDERSTANDING entered into on this.. **day of2013** between Ashok Leyland Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at **1, Sardar Patel Road, Guindy Chennai 600032**, hereinafter referred to as 'AL' (which term shall include its successors and assigns) of the FIRST PART and represented by its Partner carrying on business with (Customer name & address) hereinafter referred to as the 'Customer' (which term shall include its successors and assigns) of the SECOND PART

WHEREAS AL has offered and the Customer has accepted to avail the Maintenance Scheme (AMC) in respect of the AL manufactured Chassis Nos. fitted with Engine Nos. Bearing Registration Nos. (As per list furnished Schedule D), hereinafter referred to as the 'Vehicles', on the terms and conditions mentioned under this Memorandum of Understanding.

IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The customer will be provided with an AMC User guide book, containing the service information, offerings and addresses of the AL Service network.
2. The Maintenance Scheme will be valid for a period of ... months from the date of commencement of AMC of the vehicle or km whichever is earlier, with the provision to review at the end of ... months and arrive at terms as per mutual consent.
3. Under AMC, AL shall provide preventive maintenance and repair support at AL dealers / ASCs workshops for the vehicle as under:
 - All scheduled maintenance services
 - Lube replacement on aggregates as per AL recommendations
 - Replacement of Normal Wear & Tear parts
 - Breakdown support
4. This MoU is not intended and shall not be construed to guarantee performance levels or the life of any aggregate.
5. All costs pertaining to vehicle delivery/return, including transportation, freight or towing and any additional cost items, including but not limited to those stated below are excluded from the AMC rates and shall be borne by the customer.
 - 5.1. Paint work, glass, cabin, chassis frame/sub frame, cross member, tyre rim, fuel tank, silencer, spare wheel carrier, exhaust brake, retarder, fifth wheel coupling, tipping gear, AC, ABS, all cables and dashboard gauges, topping up of any type of oil & coolant, failure arising out of fuel adulteration, towing of vehicle, bodywork or other super structures / other mounted equipments or preventive maintenance/repairs of other accessories added to the vehicle post manufacture or equipment not fitted as standard to the vehicle.
 - 5.2. Replacement of consumable items (Lube oils, Filters Etc) will be carried out on chargeable basis outside the recommended schedule maintenance intervals
 - 5.3. Tyre replacement or repair.

- 5.4. Battery maintenance or repair/replacement
- 5.5. Suspension items, Springs and Shock absorbers
- 5.6. Work related to Fitness Certificate.
- 5.7. Emission Norms: Conformance to norms will be ensured by AL by subjecting vehicles to checks and correction on a quarterly/need basis. The customer will arrange to obtain necessary certificates from appropriate authorities at his cost. The customer will ensure that HSD used is of approved quality.
- 5.8. Delivery to/collection from the service location, including towing, salvage, freight or other transportation charges.
- 5.9. Supply of fuel between scheduled services, the provision of oils/coolant for topping up, the introduction of anti-freeze or the application of rust inhibiting agents.
- 5.10. Any preventive maintenance/repair work necessitated, partly or wholly by:
 - 5.10.1. A negligent act or omission of the customer, his agents or any third party in driving, servicing, loading, repairing or otherwise dealing with the vehicle.
 - 5.10.2. Faulty repairs and maintenance work being carried out by a party other than AL or its duly authorised agents and
 - 5.10.3. Failure of the customer, his employees, agents or any third party to comply with the terms of the Instruction Book issued by AL on recommended daily and weekly maintenance including removal or exchange of any components of the vehicle.
- 5.11. Any preventive maintenance/repair work which the Customer is entitled to carry out at the cost of any other party, including any work covered under any insurance arrangement.
- 5.12. Any fitting, preventive maintenance/repairs or service work in relation to the vehicle required to comply with any act, rule, regulation, order or other law.
- 5.13. Any preventive maintenance/repairs caused by unfavourable use of the vehicle, e.g., use of unsuitable supplies, improper fuels /adulterated fuel or overloading.
- 5.14. Any preventive maintenance/repairs caused by accident, theft, wilful default, acts of God, fire abuse, vandalism, acts of third parties, or similar events.
6. The support to be provided by AL under this MoU shall only be such as is on account of NORMAL WEAR AND TEAR of the vehicle. Further, such preventive maintenance/repairs shall be in accordance with the Kilometer based system set out in the MoU.
7. AL shall not be liable for any damage or other loss attributable to causes beyond AL's reasonable control, including acts of God, other events of force majeure, fire theft or other acts of third parties, or for any consequential or indirect damage or loss.
8. AL shall provide Preventive Maintenance & Repair support for the vehicle through AL Dealers/ service centre identified for this purpose and specifically agreed to between the

parties to the understanding, in accordance with the understanding, subject to the terms of this understanding.

9. The Customer shall avail the services under the AMC scheme at the identified Home Base for the vehicle. Should there be a requirement for the Customer to change his choice of identified Home Base who will direct the customer to another authorised service centre from within the available network of AL Dealer Workshops to provide the services specified under the scope of this MoU at no extra cost.
10. The customer shall ensure that the vehicles are spared to the Home Base dealer once in every 60 days to undergo preventive maintenance.
11. In the event of vehicles not availing any Maintenance service as stipulated, AL/AL authorized workshop will not be responsible for consequences. Any work/service required to be rendered to the vehicle arising out of non-availing of timely service will be charged extra to the customer.
12. The customer will maintain the guide books for the vehicle and will make available to AL /AL Authorised workshop at the time of each service/repair the guide book, copy of the RC book and copy of Driver's license.
13. The service fees under this AMC appear in Schedule 'B' and are based on the distance covered by the vehicle at the time of availing the service. However the customer shall pay AL a minimum monthly fee as stated in Schedule 'B'
 - 13.1. AL will submit to the Customer monthly bill towards service fees for the vehicle covered in this MoU taking into account actual KMs run or the minimum stipulated above whichever is higher
 - 13.2. The customer shall pay AL an advance amount as stated in Schedule 'B' at the time of entering into the MoU
 - 13.3. In addition to AMC charges, service tax and / or any other new taxes levied by the government or statutory levies will be charged extra, to be paid by the customer.
 - 13.4 The service fee is based on the operating conditions of the vehicle as declared by the customer at the time of entering into this contract. The customer shall inform AL of any change in the operating conditions of the vehicle and the service fee in Schedule 'B' may be revised by AL to cater to the changed operating conditions
 - 13.5 AMC Charges are based on the operating conditions/Duty cycle of the vehicle as declared by the customer at the time of entering into this contract. It is mandatory for the customer to inform AL of any change in the operating conditions/Duty cycle to enable AL revise the AMC charges as applicable in Schedule 'B'. AL reserves the right to terminate the contract if customer fails to notify the change in operating conditions & duty cycle.

14. AL/AL authorised workshops shall be entitled to invoice the customer separately for work not covered by this MoU or any other work that is additional under this MoU. However AL's obligations will be limited to the scope of the services under AMC
15. The customer is to take delivery of the vehicle within 48 hours of readiness after repair. AL/AL's authorised workshops will be at liberty to charge storage charges if delivery is not taken by the customer.
16. The customer shall pay all invoices within 15 days of submission of these invoices for payment directly to AL. Delayed payments will attract interest at the rate of 18% per annum in case payments are delayed for more than 7 days from the due date.
17. AL shall credit customers account with these payment only on actual receipt of entire payment due from the customer and in the case of cheque clearance of the same by the concerned banks.
18. Time Schedules
 - 18.1. AL/AL authorised workshops will take up the work on the vehicle within 24 hours of the vehicle reporting to the home base.
 - 18.2. Time permissible for planned services :

➤ Monthly service	-	1 working Day
➤ Quarterly Service	-	1 working Day
➤ Half Yearly	-	2 working Days
➤ Annual	-	4 working Days
 - 18.3. Time permissible for breakdown repairs - within 3 days from the commencement of work at home base dealerships.
19. In the event of breakdown enroute, the Customer shall contact the Home base who will direct him to the nearest AL authorised workshop for repair/recommissioning of the vehicle.
20. In the event of the vehicle meeting with an accident, the customer shall immediately notify the Home Base
 - 20.1. If the accident necessitates extensive repairs to vehicle aggregates, AL reserves the right to terminate the Contract forthwith and refund to the customer the advance amount received by AL after deducting administrative expenses and outstanding payments.
 - 20.2. In case AL agrees to continue with the contract, the Customer shall entrust all the accident repair work except Body and Cabin jobs to AL's authorised workshop. AL will carry out the repairs in the fastest possible time. The cost incurred for carrying out the jobs will be charged to the customer.
21. This MoU shall be valid for the term specified in the MoU. This MoU may be terminated by AL on the occurrence of any one or more of the following without prior notice:

- 21.1. A default/delay /cheque bounce by the Customer in making any payment hereunder, which is not remedied within 30 days, whether or not AL demands such payment.
- 21.2. Admission of a bankruptcy or other similar insolvency petition against the customer, or on any act of insolvency by the customer.
- 21.3. Initiation of execution proceedings for the enforcement of any debt against the customer.
- 21.4. The customer selling the vehicle.
22. Notwithstanding the right of AL to terminate the MoU under any of the condition stated in clause 21 above, either party has the option to terminate this MoU by giving one month notice in writing.
23. In the event of such termination, AL will refund to the customer the advance amount received by AL after deducting administrative expenses and outstanding payments.
24. Any notice and other communication hereunder may be hand delivered or sent by recognized courier or facsimile at the respective addresses and the parties shall deem delivery to be valid on the next business day after the date of receipt.
25. The termination of this MoU, in any of the above circumstances, shall not affect or prejudice any right accrued to any of the parties against the others, prior to the termination.
26. Neither party shall assign this MoU or any part hereof to any other person without the prior written consent of the other party. Provided that Ashok Leyland shall not require consent to assign this MoU to any affiliation.
27. Neither party shall be entitled to set off any right owing hereunder against any liability owed hereunder or under any other MoU.
28. Subject to the provisions hereof, this MoU is not intended and shall not be construed to confer on any person other than the parties hereto any rights and/or remedies herein.
29. This MoU will be governed by and construed in accordance with the laws of India and will be subject to the non-exclusive jurisdiction of courts at Chennai.
30. All disputes arising out of or in relation to this MoU, or any breach hereof, shall be finally settled by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 at Chennai.

This agreement represents the entire understanding between the parties and excludes all other rights that the customer may have or assert, whether express or implied, whether in common law, statute or otherwise.

Cheques are to be in favor of ASHOK LEYLAND LIMITED
 Note – Service Tax / VAT and other levies as applicable also included.

Schedule D

SR NO	VEHICLE NO	CHASSIS NO	ENGINE NO	MFG YEAR	Model	AMC w.e.f.	START KM
1							
2							
3							
4							
5							
6							
7							
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15							

ITEM UNDER SCOPE OF AMC

- . Replacing engine oil & oil filter at schedule intervals
- . Replacing fuel filter at schedule intervals
- . Replacing Gear & Differential oil at schedule intervals
- . Preventive maintenance checks once in two months.
- . Hub greasing with parts at schedule intervals
- . Replacing air cleaner primary & secondary filters as recommended
- . Replacement of power steering oil with filter at schedule intervals
- . Replacement of coolant at the recommended intervals
- . Aggregate overhaul falling due in contract period

ITEMS BEYOND THE SCOPE OF AMC

- . Tyres ,Tubes & wheel disc
- . FES/Cabin/Cab mountings/Cab upholstery
- . Body/Air bellows/All Suspension items/ Shock absorber / Leaf spring

- . Denting & Painting
- . Accidental repair/Operational damages
- . Glasses including wind screen glass
- . Sub frame, Chassis frame ,Cross member repair / replacement
- . Spare wheel carrier, Fuel Tank, Silencer, Exhaust Brake, Retarder
- . ABS, AC, Tipping Gear, Fifth wheel coupling, Trailer
- . Battery & Bulbs and other electrical items excluding Starter and Alternator
- . All cables & Dashboard Gauges
- . Topping up of oils & coolant
- . Towing
- . Failures arising out of fuel adulteration