



June 6, 2014

Note for Shareholders

Update on Gujarat Project

Disclaimer

- ◆ This presentation was prepared by Maruti Suzuki India Limited (“We” or “MSIL”) solely for the purpose of disclosure of relevant information
- ◆ We have decided in principle that we would enter into a contract manufacturing arrangement with Suzuki Motor Gujarat Private Limited (“SMG”) subject to the approval from our shareholders. The proposed terms and conditions contained herein are for the purpose of the shareholders’ information and are subject to the final decisions of the Audit Committee and the Board of the Directors of MSIL and Board of Directors of SMG, respectively
- ◆ Contents of this presentation contain brief summaries of the term sheets of the proposed Contract Manufacturing Agreement (“CMA”) and Lease Deed between us and SMG which will be put out in public by us. In case of any differences between this presentation and the term sheets including the interpretation thereof, the term sheets shall prevail. Therefore, shareholders are requested to refer to the term sheets of the CMA and Lease Deed for details

Disclaimer (Cont'd.)

- ◆ This presentation does not constitute a solicitation or an offer or advice to buy or sell any securities in or outside of India
- ◆ Though we have relied upon and assumed the accuracy and completeness of all third party information available to us in preparing this presentation, we make no representations as to its actual accuracy or completeness
- ◆ Statements contained herein that relate to future operating performance are forward-looking statements. Forward-looking statements are based on judgments made by our management based on information that is currently available to us. As such, these forward-looking statements are based on plans regarding the proposed arrangement and are subject to various risks, uncertainties and assumptions and therefore, the actual business results may vary substantially from the forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. We disclaim any obligation to revise forward-looking statements in light of new information, future events or other findings

Background of Gujarat Project

- ◆ MSIL has installed capacity to manufacture 1.5 million cars at Gurgaon and Manesar in Haryana
- ◆ Not possible to add any more capacity at these sites due to various constraints, including infrastructure
- ◆ Decided to expand in Gujarat because of the proximity to port developed for exports, ease of doing business in the State and logistical advantage for sale in West and South India

Background of Contract Manufacturing Arrangement

- ◆ The contents of this presentation are based on the conditions approved by the Board of MSIL while approving the proposal of Suzuki Motor Corporation (“SMC”) establishing a 100% subsidiary (SMG) in Gujarat. Subsequently, the Board of SMG has also approved the substance of the presentation
- ◆ Various alternative structures for the execution of the Gujarat expansion were discussed
- ◆ The option of the Gujarat project being another division of MSIL (like Manesar) was rejected on grounds of various business considerations
- ◆ Options ranging from a 100% MSIL subsidiary to a 100% SMC subsidiary were considered
- ◆ SMC proposed that if the Gujarat project was a 100% SMC subsidiary, this subsidiary could consider entering into an exclusive long term contract manufacturing agreement with MSIL and also supply the products on a “no-profit no-loss” basis
- ◆ This proposal was found to be most beneficial for MSIL for reasons given in this presentation
- ◆ In March 2014, the Board of MSIL decided, as a measure of good corporate governance, to seek minority shareholders’ approval as stipulated in Section 188 of the Companies Act, 2013 of India even though it was not then legally required (Section 188 has now come into force as on April 1, 2014)

Gujarat Subsidiary

- ◆ After various options were considered and investors' reactions were taken into account, SMC would finance the capital expenditure of SMG by bringing in initial equity capital and further equity to the extent necessary after using the accrued depreciation funds
- ◆ SMG would not make any profits or losses
- ◆ SMG would enter into an exclusive contract manufacturing agreement with MSIL. SMG would not sell the products to any one other than MSIL
- ◆ The products and their volumes to be made by SMG would be decided by MSIL, keeping all techno-economic factors in mind

Gujarat Subsidiary (Cont'd.)

- ◆ The price at which the products would be supplied to MSIL would be adjusted annually, based on the audited accounts, so as to achieve “no-profit no-loss” principle set for SMG
- ◆ The CMA would initially be for a period of 15 years, and shall be automatically extended for a further period of 15 years, unless the Parties mutually agree to terminate it; and after the expiry of 30 years, MSIL and SMG may mutually agree to extend the period of the CMA
- ◆ MSIL and SMG will jointly establish a coordination committee comprising of representatives from both sides. Operational matters for implementing the CMA would be determined by the coordination committee
- ◆ SMG would expand manufacturing capacity in consultation with MSIL and considering the market conditions

Gujarat Subsidiary (Cont'd.)

- ◆ Land required by SMG for manufacturing the volumes under the CMA would be leased by MSIL to SMG. The lease would be co-terminus with the CMA
- ◆ The CMA would be terminable by either Party after due process. In the event of termination, MSIL would have the option to purchase all shares of SMG at book value
- ◆ MSIL would provide help and assistance to SMG wherever requested by SMG. These would be on an arm's length basis
- ◆ All product license agreements, including royalty amounts to be paid, will be determined between MSIL and SMC

Gujarat Subsidiary (Cont'd.)

- ◆ Any arrangement to procure, (a) the parts and components to be purchased or imported by SMG for the purpose of manufacturing and assembling the products; and (b) the capital assets, machinery and plants required to manufacture and assemble the products from SMC and / or related parties of SMG, shall require prior approval of MSIL

Taxation and Legal

- ◆ Opinions on the various possible areas of taxation have been obtained from Deloitte as well as BMR
- ◆ Both advisors have opined that there would be no significant difference in taxation between a MSIL subsidiary and SMG
- ◆ MSIL would not have issues regarding transfer pricing in the purchase of cars from SMG
- ◆ These tax consultants would advise on how to structure transactions between SMG and MSIL so as to minimize the risk of litigation and tax liabilities on either of the companies
- ◆ From a legal perspective, the Parties are permitted to enter into the CMA, subject to obtaining the requisite approvals from the Audit Committee, Board of Directors and shareholders of MSIL and the requisite approvals from the Board of Directors and shareholders of SMG

Arrangement With Gujarat Government

- ◆ The application of the State Support Agreement (“SSA”) to the MSIL and SMG model of implementing the Gujarat project has been discussed with the Government of Gujarat (“GoG”).
- ◆ Based on our discussions with the GoG, the latter has accepted in principle that the SSA benefits would be available for the investment made by SMG also and that appropriate legal documentation should be made to this effect

Benefits to MSIL

- ◆ MSIL would save investment required for establishing manufacturing capacity in Gujarat to the extent of equity investments made by SMC in SMG. The amount would depend on the time period that would elapse from the start to when capacity reaches 1.5 million cars
- ◆ According to our current estimates of growth of the Auto industry in India and MSIL's market share in the same, total investments by SMG would be about Rs.185 billion. This would be financed by equity from SMC and accumulated depreciation
- ◆ MSIL could earn about Rs.105 billion, assuming a post-tax return of 8.5% p.a. during the initial 15 year period of the CMA from the savings of investments not made in Gujarat. The earnings on investments not made by MSIL in Gujarat would continue during the extended period of the CMA
- ◆ The additional funds available with MSIL could enable us to strengthen our marketing and sales infrastructure, R&D, and overseas market penetration
- ◆ The skill and capacity to manufacture cars is by no means enough to differentiate between car companies. Market research, product design and development, sales and service, spare parts distribution, brand building are perhaps even more important. All these functions would be with MSIL and adequate resources would be available to strengthen these activities

Benefits to SMC

- ◆ Growing importance of MSIL operations for SMC. Likely to become even more important in the future
- ◆ SMC wants to further strengthen MSIL for this reason in the best interests of both companies
 - SMC by virtue of its ~56% shareholding in MSIL, would proportionately benefit due to :
 - Generation of additional profits at MSIL from the incremental sales achieved by sale of the products manufactured by SMG
 - Additional other income generated by MSIL on investment expenditure at Gujarat saved by MSIL
 - These financial benefits would be much higher than the return which SMC would have got on the equity invested in Gujarat as compared to other options

Conclusion

- ◆ We believe that this arrangement will bring substantial benefits to MSIL compared to the option of investing in Gujarat on its own.

TERM SHEET OF THE CONTRACT MANUFACTURING AGREEMENT

BETWEEN

MARUTI SUZUKI INDIA LIMITED (“MSIL”)

AND

SUZUKI MOTOR GUJARAT PRIVATE LIMITED (“SMG”)

No.	Headings	Proposed Arrangement (CMA)
1.	Nature of Transaction	MSIL and SMG ("Parties") hereby acknowledge and agree that the transaction between the Parties will be made on the basis of no-profit and no-loss principle, as further detailed herein, in accordance with then applicable laws.
2.	Coordination Committee	<ol style="list-style-type: none"> 1. MSIL and SMG shall jointly establish a coordination committee ("Coordination Committee") for coordinating the implementation and running of operations pertaining to the establishment and operation of an integrated manufacturing facility in Gujarat, to manufacture the vehicles and parts and carry on other allied activities ("Gujarat Project"), achieving the purpose of the CMA and determining the operational matters for implementing the CMA. 2. The Coordination Committee shall consist of the members to be appointed by each of MSIL and SMG from time to time. The composition of the Coordination Committee is to be mutually agreed upon by MSIL and SMG. 3. When the Parties discuss any matter to implement the Gujarat Project and achieve the purpose of the CMA, unless otherwise expressly provided herein, the Parties shall discuss it through the Coordination Committee.
3.	Duration	<ol style="list-style-type: none"> 1. The CMA shall initially be for a period of fifteen (15) years, and shall be automatically extended for a further period of fifteen (15) years, unless the Parties mutually agree to terminate it; and after the expiry of thirty (30) years, MSIL and SMG may mutually agree to extend the period of the CMA. 2. Notwithstanding above, the CMA shall be co-terminus with the Lease Deed. Accordingly, upon the termination of the Lease Deed for any reason whatsoever, the CMA shall automatically terminate, without any affirmative actions by the Parties, with immediate effect. 3. Without prejudice to the above, it is clarified that the Lease Deed shall be co-terminus with the CMA. Accordingly, upon the termination of the CMA for any reason whatsoever, the Lease Deed shall automatically terminate, without any affirmative actions by the Parties, with immediate effect.
4.	Exclusive Sale and Purchase of Products	<ol style="list-style-type: none"> 1. SMG's business objects shall be to manufacture the vehicles and parts ("Products") and sell all of them exclusively to MSIL. 2. SMG shall not sell or assign the Products directly to any other third party.

No.	Headings	Proposed Arrangement (CMA)
5.	Production Schedule and Manufacture of the Products	<ol style="list-style-type: none"> 1. The Products and their volumes to be manufactured by SMG under the CMA shall be decided by MSIL by taking into account all techno-economic factors such as the costs of components, requisite technology and market conditions, etc. 2. MSIL and SMG shall mutually discuss and agree upon a production schedule of the Products for a certain period to be mutually agreed by the Parties. 3. According to the production schedule previously prepared, MSIL shall give to SMG its firm purchase orders of the Products by the time to be mutually agreed by them 4. SMG shall manufacture the Products as per the firm purchase orders and shall make its best efforts to manufacture the Products economically through productivity improvement and cost reduction, etc. under the support from MSIL.
6.	Sale and Purchase of the Product	<ol style="list-style-type: none"> 1. A sale and purchase transaction with respect to the Products shall be subject to the CMA and individual purchase orders to be issued by MSIL. The terms and conditions of the sale and purchase of the Products not set forth in the CMA shall be provided in the purchase orders or other agreement to be entered into between the Parties. 2. In the event that any of the terms and conditions set forth in the other agreement to be entered into between the Parties or the individual purchase order is contrary to the terms and conditions set forth in the CMA, the terms and conditions set forth in the CMA shall prevail to that extent. 3. SMG shall continue to supply the spare parts for the model of any vehicle for such period as may be required by applicable laws or such longer period as may be agreed by the Parties after MSIL officially decided to discontinue the production of such model. The definite date of the discontinuance of the supply of the spare parts shall be separately negotiated and agreed between the Parties.

No.	Headings	Proposed Arrangement (CMA)
7.	Determination of Purchase Price of Products	<ol style="list-style-type: none"> 1. Notwithstanding anything contained in the CMA, MSIL and SMG shall determine the price of the Products for a financial year of SMG based on the basis that SMG will have no profit or loss at the end of the financial year. 2. If, at the end of a financial year, SMG has profits as per the audited financial statements for the financial year, SMG shall utilize the profits as well as any interest earned thereon for reducing the prices of the Products to be supplied to MSIL during the immediately following financial year so that the above-mentioned no-profit and no-loss principle is complied with. 3. If, at the end of a financial year, SMG has losses as per the audited financial statements for the financial year, MSIL shall increase the prices of the Products to be supplied to MSIL during the immediately following financial year so that the above-mentioned no-profit and no-loss principle is complied with. 4. The audited financial statements of SMG for each financial year shall, upon MSIL's request, be open for inspection by MSIL for the purpose of determining the prices of the Products. 5. SMG shall appoint one of the Big-4 as its auditor.
8.	Manufacture, Purchase and Import of Parts, etc.	<ol style="list-style-type: none"> 1. For the purpose of manufacturing and assembling the Products, SMG shall manufacture the parts and components ("SMG's Parts") and purchase and import the parts and components ("Purchase/Import Parts"). 2. MSIL and SMG shall discuss SMG's Parts and procurement of the Purchase/Import Parts so that the costs to manufacture and assemble the Products can be minimized. It is agreed between the Parties that any arrangements in relation to procurement of the Purchase/Import Parts by SMG from SMC and/or other related parties (as defined in Section 2(76) of the Companies Act, 2013, hereinafter the same) of SMG (other than MSIL) shall require the prior approval of MSIL.
9.	Capital Expenditure Requirements	<ol style="list-style-type: none"> 1. The entire capital expenditure for SMG shall be funded by depreciation and equity brought in by SMC. SMG shall expand its manufacturing capacity in consultation with MSIL and considering the market conditions. 2. MSIL and SMG shall discuss the procurement of the capital assets, machinery and plants ("Capital Assets") required to manufacture and assemble the Products so that the costs to manufacture and assemble the Products can be minimized. It is agreed between the Parties that any arrangements in relation to procurement of the Capital Assets by SMG from SMC and/or other related parties of SMG (other than MSIL) shall require the prior approval of MSIL.

No.	Headings	Proposed Arrangement (CMA)
10.	Trademark and Indication of Origin	<p>1. SMG shall affix a trademark or other mark or indication of origin on the Products as per the instruction from MSIL.</p> <p>2. MSIL shall comply with all applicable laws and regulations in instructing or requesting SMG to affix a trademark or other mark or indication of origin.</p>
11.	Royalty	The Parties shall discuss with SMC the use of any technology, trademark or other mark, know-how, geographical indicator and intellectual property of any other nature which are required to be used in manufacturing and assembling the Products and all royalty payments for the use of such intellectual property, etc. The Parties shall endeavor to make an arrangement of the royalty payment that shall be commercially beneficial and efficient for the Parties in terms of tax and other regulations. It is agreed that the quantum and rate of royalty in relation to such arrangement shall be determined and agreed by SMC and MSIL.
12.	Quality Control	<p>1. SMG shall make its best efforts to manufacture the Products with high quality at low costs in accordance with the quality standards to be agreed between the Parties.</p> <p>2. MSIL shall provide SMG with information in relation to the repair and replacement work for the Products by MSIL's dealers and quality and performance information of the Products which MSIL reasonably obtains from market and is necessary for SMG to make quality improvements.</p>
13.	Information Rights	MSIL shall have the right, from time to time, to inspect SMG's balance sheets and profit and loss statements and any other relevant books, records and accounts as it may reasonably require and which SMG shall, upon MSIL's written request, make available to MSIL or its agents, provided that this right shall not be exercised more than once in any given quarter of the relevant financial year of SMG.

No.	Headings	Proposed Arrangement (CMA)
14.	Dispatch of Engineers and Special Work by MSIL	<p>1. MSIL shall, upon written request from SMG, dispatch its directors, officers and employees (including contract workers) ("Personnel") to the places to be designated SMG to give support, advice and guidance in the manufacture, assembly, purchasing, testing, inspection, quality control, packaging of the Products, administration and operation of SMG and in the performance of the obligations under the CMA. The number of the Personnel to be dispatched, their period of stay at such place, the date of departure and all other terms and conditions not set forth hereunder in the CMA shall be mutually agreed by and between the Parties on a case by case basis and on an arm's length basis.</p> <p>2. If MSIL's Personnel are dispatched to SMG for the purpose of implementing the CMA, SMG shall guarantee to MSIL the following:</p> <ul style="list-style-type: none"> (i) SMG shall respect any technical guidance and advice of the Personnel; (ii) SMG shall satisfy any requests of the Personnel in relation to design and specifications, quality control and inspection criteria; (iii) SMG shall make its best efforts to cooperate with the Personnel to enable them to accomplish the purpose for which they are dispatched; (iv) The working hours of the Personnel shall be in accordance with SMG's working rules and regulations; (v) SMG shall arrange the necessary suitable accommodation for the Personnel; and (vi) SMG shall take, or cause to be taken, any and all reasonable steps to protect and ensure the safety of each the dispatched Personnel's life and properties. <p>3. SMG shall bear and, upon the receipt of MSIL's statement, reimburse to MSIL the following expenses and fees, which shall be determined on an arm's length basis, for MSIL's dispatched Personnel:</p> <ul style="list-style-type: none"> (i) actual travel and transportation expenses (including economy class air fare and drivers' expenses if applicable) for the travel and necessary suitable accommodation; and (ii) daily advisory fees for an amount to be mutually agreed by the Parties for the days on which MSIL's dispatched Personnel give such support, advice and guidance. <p>4. If SMG requests MSIL to render any advice or assistance relating to the Products or the CMA which requires special or unusual work or analysis and is not covered under above-mentioned provision and Clause 15 below and if MSIL agrees to render such advice and assistance, SMG shall pay to MSIL reasonable amount of fees to be mutually agreed by them on an arm's length basis.</p>

No.	Headings	Proposed Arrangement (CMA)
15.	Training at MSIL'S Facilities	During the term of the CMA, MSIL shall, upon receipt of a written request from SMG, make available to SMG, MSIL's plant facilities or other places, as designated by MSIL, for the purpose of in-plant observation and training of Personnel of SMG for the performance of SMG's obligations under the CMA. The number of Personnel and the period of training and stay shall be decided by mutual consultation and agreement by the Parties on a case by case basis and on an arm's length basis.
16.	Termination	<p>Each Party shall have the right to terminate this CMA upon the occurrence of any one or more of the following event(s) by or with regard to the other Party:</p> <ol style="list-style-type: none"> 1. material breach of the CMA or the Lease Deed by either Party ("Defaulting Party") and if the same is remediable, failure to remedy the same by the Defaulting Party within forty five (45) days of the receipt of the notice issued by the non-Defaulting Party, containing details of the material breach; 2. performance of the CMA becoming impossible or impracticable by virtue of any order, action, regulation, interference or intervention by any government or agency thereof; 3. any authorization, permission or license necessary for the Party to perform any provision hereof being withdrawn or suspended for any reason whatsoever; 4. filing of a bankruptcy petition by or against either of the Party; 5. institution of winding up proceedings by or against either Party and such proceedings not being stayed or discharged by a competent court within 30 days from the date of such institution; 6. occurrence of a Deadlock Matter and failure to resolve the same within the Conciliation Period (as defined below) vide Clause 17 below; or, 7. SMC ceding Control over SMG; for the purposes of this Clause 16(7), the term "Control" means (i) the beneficial ownership of more than fifty (50) per cent of the shareholding and voting rights of SMG, (ii) the right to appoint the majority of the directors on the board of directors of SMG, and (iii) the possession of power to cause direction of management and policies of SMG.
17.	Deadlock	<ol style="list-style-type: none"> 1. In the event of the following: <ol style="list-style-type: none"> (i) in relation to the requirement, as per Clause 8 and Clause 9 above, to obtain prior approval from MSIL for arrangements regarding the procurement of the Purchase/Import Parts or Capital Assets by SMG from SMC and other related parties of SMG (other than MSIL), disapproval by MSIL of the arrangements with regard to the same Purchase/Import Parts or the Capital Assets three (3) consecutive times within three (3) months after the date on which SMG made the first offer of the arrangements of such Purchase/Import Parts or Capital Assets;

No.	Headings	Proposed Arrangement (CMA)
		<p>(ii) failure of MSIL and SMG to mutually agree upon a production schedule as per Clause 5 above for a Product for a period of eighteen (18) months after MSIL made the first offer of the production schedule of such Product; or</p> <p>(iii) in relation to the requirement of MSIL and SMG mutually agreeing upon a price for the Products manufactured by SMG, failure to agree upon the price of a Product within twelve (12) months after the commencement of the commercial production of such Product,</p> <p>and any Party notifies the other Party in writing that such matter may materially adversely affect its interests or the implementation of the CMA, a deadlock shall be deemed to arise, and the matter (the "Deadlock Matter") shall be resolved in accordance with this Clause 17.</p> <p>2. In the event of the occurrence of a Deadlock Matter, the Parties shall jointly establish a committee ("Deadlock Resolution Committee") within thirty (30) days from the date of receipt by a Party of the above-mentioned notice issued by the other Party in order to arrive at a resolution with respect to the Deadlock Matter. The Deadlock Resolution Committee shall consist of the equal number of members to be appointed by each Party and the members shall be the manager-class employees of SMC or SMG (in the case of appointment by SMG) and the same class employees of MSIL (in the case of appointment by MSIL). In the event no resolution is reached at the Deadlock Resolution Committee within sixty (60) days of the first meeting of such Committee or such other period as may be agreed by the Parties at such Committee ("Deadlock Resolution Committee Period"), a senior representative of each of MSIL, SMG and SMC (the "Senior Executives") and any other representatives of either MSIL, SMG or SMC, as may be necessary, shall meet, within thirty (30) days from the end of the Deadlock Resolution Committee Period in order to arrive at a resolution with respect to the Deadlock Matter.</p> <p>3. If the Senior Executives are unable to arrive at a resolution with respect to the Deadlock Matter within sixty (60) days of the first meeting between the Senior Executives or such other period as may be agreed by the Senior Executives ("Conciliation Period"), then the same may be construed to be an event giving rise to termination in accordance with the provisions set out herein above.</p> <p>4. Each Party shall, without prejudice to their respective rights and remedies in respect of a Deadlock Matter and pending the resolution of such Deadlock Matter in accordance with this Clause 17, take all steps necessary on their part, to ensure that the non-resolution of such Deadlock Matter does not prejudice the implementation of the CMA and Gujarat Project.</p>

No.	Headings	Proposed Arrangement (CMA)
18.	Consequences of Termination	<p>1. Upon termination of the CMA for any reason whatsoever, on and from the effective date of such termination, SMG shall not undertake or commence the manufacture or assembly of the Products unless otherwise agreed between the Parties. Even if the CMA is terminated, SMG may request MSIL to buy the Products of which manufacturing or assembling have already commenced as per the firm purchase order at the time of the termination.</p> <p>2. Notwithstanding above provision, in the event the CMA is terminated for any reason whatsoever, SMG shall, under MSIL's instruction, undertake MSIL's firm purchase orders which are not carried out at the time of termination. In such case, the CMA shall survive until such order will be fully carried out.</p> <p>3. Upon termination of the CMA for any reason whatsoever, MSIL shall at its option purchase all, but not part of, outstanding shares of SMG as a going concern entity.</p> <p>4. When MSIL purchases the shares of SMG, either by itself or through a nominee or any other such person designated by MSIL, MSIL shall enter into appropriate and customary legal documents with SMC to record the sale and transfer of the shares of SMG to MSIL, which shall take effect within a period of ninety (90) days from the date of termination of the CMA or such other period as may be mutually agreed to between the Parties, for a purchase consideration that is equal to the book value of the shares of SMG as recorded in the audited financial statements or the quarterly financial statements of SMC for the financial year or the quarter the last day of which arrived later before the date on which such a sale occurs. If such audited financial statements or quarterly financial statements of SMC are not available, then MSIL shall rely on the latest audited financial statements or quarterly financial statements of SMC. Notwithstanding the foregoing, if the no-profit and no-loss principle provided in Clause 7 above is not complied with on the date of the termination of the CMA, the book value mentioned above shall be adjusted so that the no-profit and no-loss principle is properly and accurately reflected in the book value.</p>
19.	Sub-Contract	SMG may, in consultation with MSIL, sub-contract the production of any item of the parts, and give to the sub-contractor such information as is necessary for this purpose. The sub-contractor shall be bound by the confidentiality obligation.

TERM SHEET OF THE LEASE DEED

BETWEEN

MARUTI SUZUKI INDIA LIMITED (“LESSOR”)

AND

SUZUKI MOTOR GUJARAT PRIVATE LIMITED (“LESSEE”)

No.	Headings	Proposed Arrangement (Lease Deed)
1.	Grant of Lease	<p>1. In consideration of the Lessee agreeing to strictly abide by all the representations, warranties, covenants, conditions and agreements set forth herein, including regular and timely payment of Lease Rent, the Lessor hereby grants a lease to the Lessee, and the Lessee hereby accepts such grant from the Lessor, to all that piece and parcel of contiguous land, in aggregate constituting [●] ([●]) acres, in Village – [●], District – Ahmedabad, Gujarat, to be more particularly described in the Lease Deed, ("Demised Premises"), with vacant possession, and to hold the Demised Premises on lease from the Execution Date till the expiry of the entire Lease Term, without interruption or interference, together with all singular rights, liberties, privileges, easements, benefits, rights of way, paths, passages whatsoever in or appurtenant to the Demised Premises or any part thereof, belonging to or in anyway usually held, occupied or enjoyed therewith.</p> <p>2. The Lessor shall handover vacant possession of the Demised Premises to the Lessee on the Execution Date.</p> <p>3. The Lessor and the Lessee (hereinafter individually referred to as a "Party" and collectively as the "Parties") shall discuss the expansion of the Demised Premises as per the business needs of the Lessee.</p> <p>4. The Lessor hereby covenants to the Lessee that, upon the Lessee paying the Lease Rent and performing all other covenants that are to be performed by it in terms hereof, and strictly abiding by all representations, warranties, conditions and agreements set forth herein, the Lessee shall have the right to peaceably and quietly enjoy the Demised Premises and have free access to the Demised Premises for the Lease Term, without any let, interruption or disturbance of, from or by the Lessor or any other third party.</p>
2.	Effectiveness and Lease Term	<p>1. This Lease Deed shall be effective simultaneously with the Contract Manufacturing Agreement ("Execution Date"), and shall remain valid and in effect unless terminated in accordance with this Lease Deed or the Contract Manufacturing Agreement.</p> <p>2. The lease contemplated herein shall commence from the Execution Date and shall, unless this Lease Deed is terminated earlier in accordance with the provisions hereof or the Contract Manufacturing Agreement, continue in effect for a period of fifteen (15) years from the Execution Date, provided that, at the expiry of preceding term, the lease period shall be automatically extended for a further period of fifteen (15) years, without any further action or documentation on the part of either Party, unless the Parties agree to terminate it; and after the expiry of thirty (30) years, the Lessor and the Lessee may mutually agree to extend the term ("Lease Term").</p>

No.	Headings	Proposed Arrangement (Lease Deed)
3.	Lease Rent and Escalation	<p>1. As consideration for the lease and the other rights granted under this Lease Deed, the Lessee hereby agrees and undertakes that it shall pay an advance lease rent ("Lease Rent") to the Lessor periodically (the due date of the payment of the Lease Rent shall be referred to as the "Due Date" and the period for which the Lease Rent shall be paid shall be referred to as "Payment Period"). The Lease Rent shall be determined by the Parties based on the valuation reports to be issued by two (2) independent valuers. Each of the Lessor and the Lessee shall appoint one (1) valuer. In case the Execution Date is not the first day of a Payment Period, then the Lease Term may consist of periods that are less than a Payment Period, and for such periods the Lease Rent shall be calculated on a daily pro rata basis.</p> <p>2. If the Lessee fails to pay the Lease Rent by the Due Date, the Lessee shall be liable to, without prejudice to any other rights which the Lessor may have under this Lease Deed or under applicable laws in this regard, pay to the Lessor, interest at the simple interest rate to be mutually agreed between the Parties, from the relevant Due Date till the date of its actual payment.</p> <p>3. Notwithstanding anything contained to the contrary in this Lease Deed, the Lessor shall not be obliged to refund any part or whole of the Lease Rent paid by the Lessee, including without limitation, the termination of this Lease Deed, provided, however, that if this Lease Deed is terminated due to a reason other than the Lessee's breach or violation of the provisions of this Lease Deed or the Contract Manufacturing Agreement, the Lessor shall refund the Lease Rent paid in advance to the Lessee and the amount of the refund shall be calculated on a daily pro rata basis.</p> <p>4. The Lessor reserves its right to review the Lease Rent once after expiry of every three (3) years during the Lease Term commencing from the Execution Date. However, the increase of the Lease Rent, if any, shall be maximum fifteen (15) per cent of the prevailing Lease Rent at the time of each such review.</p>

No.	Headings	Proposed Arrangement (Lease Deed)
4.	Use and Development of the Demised Premises	<p>1. The Lessee hereby agrees and undertakes that it shall use the Demised Premises solely for the purposes of setting-up and operating an integrated manufacturing facility, to manufacture the vehicles and parts and carry on other allied activities as per the Contract Manufacturing Agreement between the Parties ("Project"), entirely at its own cost, charge, expense and risk. Without prejudice to the generality of the foregoing, the activities that can be carried out by the Lessee in the Demised Premises during the Lease Term shall include the following:</p> <ul style="list-style-type: none"> (i) developing, constructing, owning, operating, and maintaining an integrated manufacturing facility; (ii) developing, constructing, owning, operating, and maintaining all other facilities incidental or ancillary to the implementation of the Project, including administrative buildings, housing and other community facilities for staff; (iii) developing, constructing, owning, operating, and maintaining all utilities, services and facilities required for operating and maintaining the integrated manufacturing facility; (iv) extraction of ground water and harvesting of rain water for the Lessee's requirements; (v) developing and landscaping the site; and (vi) any other purpose incidental or consequential to the development, operation and maintenance of the Project, including any activities that are to be mandatorily undertaken by the Lessee under applicable laws for implementation of the Project. <p>2. No change in use of the Demised Premises, as set forth above, shall be permitted for any reason whatsoever; provided, however, if the Government of Gujarat or applicable laws mandate any changes to the scope of the Project, then the Parties shall discuss the same and mutually agree on the modalities for implementing such changes.</p>
5.	No Sub-letting or Creation of Third Party Interest	<p>1. The Lessee shall not, either directly or indirectly, sub-lease, sub-let, license or grant any rights in the Demised Premises or any part thereof, in favour of any third party, including any of its affiliates, associates and group companies without obtaining prior approval from the Lessor. Further, the Lessee shall not without the prior consent of the Lessor or any other relevant authority, as may be applicable, either directly or indirectly, assign, transfer or create any Encumbrance on the Demised Premises or any part thereof, or permit the Demised Premises or any part thereof to be occupied by anyone other than itself</p> <p>2. The Lessor shall not, during the subsistence of this Lease Deed, either directly or indirectly, assign, sell, dispose of, transfer or otherwise create any Encumbrance on the Demised Premises or any part thereof.</p>

No.	Headings	Proposed Arrangement (Lease Deed)
6.	Lessee's Covenants	<p>The Lessee hereby covenants to the Lessor that:</p> <ol style="list-style-type: none"> 1. it shall: (a) obtain all consents, permissions, licenses, no-objections and all other approvals required in terms of applicable laws; and (b) comply with all applicable laws, including those related to safety, health, environment and labour; in relation to its use and occupation of the Demised Premises, the setting-up and operation of the Project, and the other transactions contemplated in terms of this Lease Deed or the Contract Manufacturing Agreement, State Support Agreement between the Government of Gujarat and the Lessor, and all other agreements or documents executed or exchanged pursuant to the terms of the aforesaid agreements or to give effect to the transactions contemplated under such agreements ("Transaction Documents"); 2. it shall notify to all third parties, which may include its sub-contractors, consultants, agents and/or employees (including contract labourers), that it enters into contracts or arrangements with in connection with its use or occupation of the Demised Premises, the setting-up or operation of the Project, and/or other transactions contemplated in terms of the Transaction Documents, that they shall comply with all applicable laws and the provisions of the Transaction Documents while they are operating in the Demised Premises; 3. it shall not do, or cause to be done by its directors, officers or employees, any act or omission which may result in a breach or non-compliance by the Lessor of: (a) any term, condition, covenant or obligation under any consent, approval, permission, no-objection, license, approval etc., obtained by the Lessor in relation to the Demised Premises or the Project, or (b) any applicable laws; 4. it shall not conduct or permit to be conducted by its directors, officers and employees any such activity in the Demised Premises, which is in contravention of any applicable laws; 5. it shall pay to the Lessor all dues stipulated under this Lease Deed duly and on time; 6. it shall not at any time claim any right, title or interest of any kind or nature whatsoever in the Demised Premises and/or any part thereof, save and except the lease rights granted to it in terms of this Lease Deed; 7. it shall, during reasonable working hours, provide the authorized representatives of the Lessor access to the Demised Premise and the entire integrated manufacturing facility and other infrastructure developed on the Demised Premises, without limitation, for the purposes of ascertaining compliance with the terms and conditions set out in this Lease Deed and the other Transaction Documents; 8. it shall procure adequate and appropriate insurance cover for all the assets pertaining to the Project, in accordance with industry practice and as per the requirements of applicable laws; and 9. subject to the Contract Manufacturing Agreement, it shall, upon the termination of this Lease Deed: (a) comply with Clause 13, (b) cease to enter upon or use or occupy the Demised Premises unless such entrance is necessary to transfer the manufacturing undertakings or succeed the operation of them, and (c) surrender peaceful possession of the Demised Premises, and thereafter not prevent or obstruct the Lessor from occupying or using the Demised Premises in any manner.

No.	Headings	Proposed Arrangement (Lease Deed)
7.	Lessor's Covenants	<p>The Lessor hereby covenants to the Lessee that:</p> <ol style="list-style-type: none"> 1. it has good, sufficient and valid title to the Demised Premises; 2. it shall: (a) obtain all consents, permissions, licenses, no-objections and all other approvals required in terms of applicable laws; and (b) comply with all applicable laws in relation to its lease of the Demised Premises and the other transactions contemplated in terms of this Lease Deed or the other Transaction Documents; 3. it shall, subject to timely payment of Lease Rent and performance of the covenants and conditions of this Lease Deed by the Lessee, permit the Lessee to peacefully hold and enjoy the Demised Premises during the Lease Term, without interruption from the Lessor or any persons lawfully claiming under or in trust for the Lessor or any other third party; 4. it shall not do, or cause to be done, any act or omission which may result in a breach or non compliance by the Lessee of: (a) any term, condition, covenant or obligation under any consent, approval, permission, no-objection, license, approval etc., obtained by the Lessee in relation to the Demised Premises or the Project, or (b) any applicable laws; 5. it shall not do, or cause to be done, any act or omission which may interrupt or disturb the use of the Demised Premises by the Lessee in accordance with this Lease Deed; 6. it shall not conduct or permit to be conducted by its directors, officers and employees any such activity in the Demised Premises, which is in contravention of any applicable laws; and 7. it shall provide all request consents or no-objections that the Lessee may require from it, for obtaining utility connections or other applicable permits in relation to operation of the Project.
8.	Tax Withholding	<ol style="list-style-type: none"> 1. The Lease Rent shall be payable by the Lessee to the Lessor, after statutory deduction of tax at source under the Income Tax Act, 1961, as may be applicable. The Lessee shall provide the Lessor with a copy of necessary tax deduction certificate(s) in accordance with applicable laws and customary practice. 2. If any deduction or withholding is required by applicable laws to be made from any payment that is to be made under this Lease Deed, other than payment of the Lease Rent and the purchase consideration specified in Clause 13, but including, for avoidance of doubt, any payment under Clause 10, or if such recipient thereof is subject to tax in respect of such payment, the payer shall increase the amount of the payment to the extent necessary to ensure that the net amount received and retained by the recipient (after taking into account all deductions, withholdings or tax) is equal to the amount that it would have received had the payment not been subject to any such deductions, withholdings or tax.

No.	Headings	Proposed Arrangement (Lease Deed)
9.	Payment of Taxes	<p>1. The Lessor shall only be liable and responsible to pay and discharge: (i) all income tax liabilities arising out of or pertaining to the receipt by it of Lease Rent or other payments under this Lease Deed or the other Transaction Documents; and (ii) all property taxes, land revenues, levies, cesses and other payments/dues in respect of the Demised Premises relating to the period up to the Execution Date.</p> <p>2. Subject to above paragraph, the Lessee shall at all times be liable and responsible to pay and discharge all other taxes, whether outstanding, accrued, contingent or otherwise, with respect to or arising out of lease of the Demised Premises and/or the establishment and operation of the Project. Without prejudice to the generality of the foregoing, the Lessee shall be liable and responsible to pay and discharge the following:</p> <ul style="list-style-type: none"> (i) All property taxes, land revenues, service tax, levies, cesses and other payments/dues in respect of the Demised Premises relating to the Lease Term; (ii) All taxes payable in respect of the transactions contemplated under the Transaction Documents; (iii) All taxes payable in respect of the manufacturing and other business activities that may be carried out in the Demised Premises; and (iv) All taxes payable in respect of the materials stored in the Demised Premises.
10.	Indemnity	The Lessee and the Lessor shall keep each other indemnified, from and against any and all claims and compensation that may be incurred by the other Party arising out of, involving or relating to, either directly or indirectly, any non-performance of any covenant, obligation, or agreement set forth in this Lease Deed.
11.	Term	This Lease Deed shall become effective on and from the Execution Date and continue to be effective for a period of fifteen (15) years, provided that, at the expiry of preceding term, this Lease Deed shall be automatically extended, without any further action or documentation on the part of either Party, for a further period of fifteen (15) years, unless the Parties agree to terminate it; and after the expiry of thirty (30) years, the Lessor and the Lessee may mutually agree to extend the term.

No.	Headings	Proposed Arrangement (Lease Deed)
12.	Termination	<p>1. Notwithstanding Clause 11, this Lease Deed shall be co-terminus with the Contract Manufacturing Agreement. Accordingly, upon the termination of the Contract Manufacturing Agreement for any reason whatsoever, this Lease Deed shall automatically terminate, without any affirmative actions by the Parties, with immediate effect.</p> <p>2. Each Party shall have the right to terminate this Lease Deed upon the occurrence of any one or more of the following event(s) by or with regard to the other Party:</p> <ul style="list-style-type: none"> (i) material breach of the Contract Manufacturing Agreement or the Lease Deed by either Party ("Defaulting Party") and if the same is remediable, failure to remedy the same by the Defaulting Party within forty five (45) days of receipt of notice issued by the non-Defaulting Party, containing details of the material breach; (ii) performance of the Lease Deed becoming impossible or impracticable by virtue of any order, action, regulation, interference by intervention of any government or agency thereof; (iii) any authorization, permission or license necessary for the Party to perform any provision hereof being withdrawn or suspended for any reason whatsoever; (iv) filing of a bankruptcy petition by or against either of the Party; (v) institution of winding up proceedings by or against either Party and such proceedings not being stayed or discharged by a competent court within 30 days from the date of such institution; (vi) occurrence of a Deadlock Matter and failure to resolve the same within the Conciliation Period (as defined under the Contract Manufacturing Agreement) <i>vide</i> Clause 17 of the Contract Manufacturing Agreement; or, (vii) Suzuki Motor Corporation ceding Control over the Lessee; for the purposes of this Clause 12(vii), the term "Control" means (i) the beneficial ownership of more than fifty (50) per cent of the shareholding and voting rights of the Lessee, (ii) the right to appoint the majority of the directors on the board of directors of the Lessee, and (iii) the possession of power to cause direction of management and policies of the Lessee.

No.	Headings	Proposed Arrangement (Lease Deed)
13.	Consequences of Termination	<ol style="list-style-type: none"> 1. Upon the termination of this Lease Deed for any reason whatsoever, the Lessee shall immediately hand over possession of the Demised Premises and the entire integrated manufacturing facility owned by the Lessee (i.e., all the facilities set up in order to implement the Project, whether situated on the Demised Premises, any other land leased from the Lessor or otherwise) as a going concern, on as is where is basis, to the Lessor, and the Lessor shall take possession of the same. 2. Notwithstanding above, if the Lessee continues to manufacture or assemble the Products under Clause 18 of the Contract Manufacturing Agreement, it shall not be required to hand over possession of the Demised Premises, etc. in accordance with above and shall be entitled to continue to use the Demised Premises to the extent necessary to perform the obligations under Clause 18 of the Contract Manufacturing Agreement. In this case, the terms and conditions of this Lease Deed shall apply to the use of the Demised Premises as far as any object of such Clause exists, and this Lease Deed shall be deemed to be terminated when the Lessee fully performed the obligations under such Clause of the Contract Manufacturing Agreement. 3. Upon termination of this Lease Deed, the Lessor shall have the following rights, in addition to the rights contained above: <ul style="list-style-type: none"> (i) recovery of any unpaid Lease Rent and other charges due and payable by the Lessee to the Lessor in terms of this Lease Deed or the other Transaction Documents; (ii) recovery of any damages, costs, fees and expenses incurred by the Lessor as a result of the breach of this Lease Deed or other Transaction Documents by the Lessee; (iii) any other legal or equitable right or remedy that the Lessor is entitled to under applicable laws. 4. Upon termination of this Lease Deed, the Contract Manufacturing Agreement shall automatically terminate as per Clause 3 of the Contract Manufacturing Agreement and the Lessor shall at its option purchase all, but not part of, outstanding shares of the Lessee as a going concern entity as per Clause 18 of the Contract Manufacturing Agreement.