

## Honorable High Court Order on Ultra Motor disengagement from Hero exports

*Ultra Motor NOT restrained from selling high powered, high range and high speed "e-scooter & e-scooter plus" vehicles; Ultra Motor Company can be the ONLY Electric Vehicle Kit Supplier to Hero Cycles or any of its affiliates - Concluded a successful Dealer Convention with 140 dealers participating, in Goa, recently*

New Delhi, Delhi, IND, 2008-05-07 12:45:46 (IndiaPRwire.com)After the disengagement of Hero Cycles and Hero Exports from Ultra Motor India, the honourable Delhi High Court has upheld the exclusivity clause between Hero Cycles and Ultra Motors in relation to sourcing electric vehicle kits (Battery, Motor and Controller) from anyone but Ultra Motor for a period of 180 days starting April 23, 2008. Ultra Motor Company can be the ONLY Electric Vehicle Kit Supplier to Hero Cycles or any of its affiliates. In its judgement, the High Court also observed that the exclusivity clause would apply to Hero for a period of 180 days. As per the exclusivity clause, Hero is required to procure similar products only from Ultra Motor. Both Hero Cycles Limited & Ultra Motor India, would be bound by the stipulations in Clauses 7.1, 7.2, and 7.4 of the Agreement for Technical Collaboration and Joint Marketing dated September 29, 2006.

***'7.1: This is an exclusive agreement. Subject to Clause 2.6, HCL shall not seek to procure or actually procure similar products of the same category EV Kit, from any third party, other than UMIL during the term of this agreement.'***

While the High Court judgement restrains Ultra Motor from selling specified Low Speed E-Bikes (or products of equivalent specification as mentioned in the original agreement) the honourable High Court's judgment does not include any high powered, high range and high speed e-scooters which have a battery configuration of 48V/20 AH and above, which are outside the arrangement between the parties. Vehicles running on this power pack specification are commonly known as e-scooter and e-scooter plus. Prior to disengagement these vehicles were available under the model name Maxi (48V/20AH) and Velociti (48V/24AH). The latest trends in Electric two wheeler industry is skewed towards high powered, high range and high speed electric scooter. Equivalent models of the above configuration constitute approximately 95% of the Electric Two Wheeler industry in India.

### **Dealer Convention, Goa:**

The honourable High Court also negated the request of Hero Cycles Limited to restrain Ultra Motor from holding a National Dealer Conference in Goa.

***'&hellip;;In the circumstances, the blanket order seeking a restraint of the meeting called by the respondent on 3rd and 4th May, 2008 cannot be granted.'***

Ultra Motor India hosted a successful dealer meeting on May 3-4, 2008 and 140 dealerships across the country have committed themselves to sell Ultra Motor vehicles and have signed exclusive dealership agreements with Ultra Motor India.

Close on the heels of a successful FY 08 and buoyed by the ready acceptance of Electric Two-Wheelers in India, Ultra Motor Company (UMC), UK, has decided to rapidly scale its operations, expand outreach and enhance product portfolio.

As a result of the aggressive dealer expansion and marketing efforts in the last financial year, Ultra Motor (in partnership with Hero Exports) had already touched the magical figure of 22,000 Ultra Powered electric two wheelers across the country.

Ultra Motor has set itself a target of 60,000 units by for the FY 09 and in order to achieve this, the company has already committed an investment of Rs.140 crores in product development, marketing and distribution. The company will launch a range of five Electric Two Wheelers in FY09. The company is also looking at vertical integration in the supply chain in India, in the form of acquisition.

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**For more information, Please contact:**

**Madhurima Chakraborty**  
PR consultant - PR Pundit