

BUSINESS TAKEOVER AGREEMENT/SALE OF BUSINESS AGREEMENT

This Agreement is made at {Enter City, State} and effective this 1st Day of January, 2016

BETWEEN: M/s..... (the "Seller") a Sole Proprietary Firm/Partnership Firm/LLP registered in India having its registered office at:, India.

➤ the Party to the First part

AND: Ltd. (the "Company"), a Private Limited Company/LLP registered in India having its registered office at:, India.

➤ the Party to the Second part
(Collectively referred to as "Parties")

Whereas the first party was registered as a partnership firm/sole proprietorship/LLP on the.....and whereas the first party wants to dispose off their business as working concern to the company as they want to expand their business on a large scale and the company has the same main object as of the first party.

Whereas the second party is a company which was incorporated on the 01-04-2014 as the private company under the Companies Act, 1956/2013 and its existing Paid Up Capital if Rs. 100,000/- divided into 10000 equity share of Rs. 10/- each for the object for carrying on the business of home decors and other furnishing.

Whereas the second party had decided to acquire the business of the second party as working concern and to carry on the same.

Now it is hereby agreed by the parties :

1. That the first party shall sell and the company shall buy the said business of home decors and other furnishings etc. belonging to the first party as working concern with effect from 30st day of March 2016 ("event date") and all the assets, properties and liabilities thereof including :—
 - a. Goodwill, all the properties, lands, movable, immovable, freehold and leasehold, described in the Schedule hereto with all the plants and machinery and other fixture thereon;
 - b. the benefit accruing to the first party from all the contracts subsisting or otherwise and those for which the option stands vested with them;
 - c. Cash in hand and at the bank;
 - d. Debts due to the first party;
 - e. Cheques, bill, notes or securities in lieu of the debts due to the first party;
 - f. Stock-in-trade, movable plant and machinery, building materials and effects;
 - g. Account books, any other books, deeds, documents and all correspondence;

- h. Trade-marks, designs, patents and licences;
 - i. Credits held by the company;
 - j. All the policies of insurances, subject to the approval of the insurance company concerned where necessary;
 - k. All other assets and properties relating to the said business of the first party wherever they be situated.
2. That the title to the freehold or leasehold properties that were accepted by the company.
 3. The value of the assets and liabilities mentioned under Clause (1) under this agreement and all other assets and liabilities of the first party shall be valued as per the valuation report prepared and **duly authenticated by a registered valuer/ chartered accountant.**
 4. That the company shall indemnify, satisfy **and/or** discharge all the mortgage and other debts and liabilities of the first party in respect of the aforesaid business which subsists on the date aforesaid.
 5. That the company shall indemnify the first party against all actions, proceedings, claims and demands in respect of the said business.
 6. That the consideration for the sale of the said business is **settled at Rs. _____** and the company shall satisfy this consideration by issuing to the first party or their nominee or assignee **equity shares at par to the value** of the aforesaid **sum of Rs.....in the capital** of the company credited as fully paid up.
 7. **That the company shall pay the balance of the aforesaid consideration amounting to Rs.....in cash on.....the date of which the agreement comes into effect to the purchasers.**
 8. That on the completion of the purchase on **30th March 2016** at the registered office of the company the same day and time the company shall deliver to the first party certificate for the aforesaid shares of the value of Rs.....
 9. That the parties shall execute and do such deeds and things as may be necessary, so that the said business and the premises shall effectually vest in the said company.
 10. That the first party shall carry on the said business till the event date as the going concern on behalf of company and shall account to the company and shall be indemnified by the company accordingly.
 11. That the company shall be liable for all the costs of all parties for and incidental to this agreement, and the conveyance and assignment to the company.
 12. **That for a period of five years from the date of the completion of the sale, the first party shall not carry on business or association directly or indirectly in their joint or separate name, or in the name of any other person or company or otherwise without the written permission of the company previously obtain within kilometers from the place of business. The first party shall not engage themselves or have beneficial interest or have connection in any way jointly or severally with trade or business of manufacturers/service providers ofany business similar to that of the first party.**

Comment [D1]: You may delete this point, if not required.

13. That the company shall pass a board resolution to give authority to any of the directors to file this agreement, any return, further agreement and carry out all other formalities that may be necessary with the Registrar of Companies or any other authority pursuant to the provisions of the Companies Act, 2013, and other laws applicable within the time prescribed therein.

In witness whereof this agreement for sale of business as the provisions or working concern the first party and the purchaser have set their hands and signature the day and year first above within.

For Buyer,

{Enter M/s. FULL COMPANY NAME}

.....

**Managing Director/Director/CEO
/Partner/Proprietor**

For Seller,

Enter M/s. FULL COMPANY NAME}

.....

**ManagingDirector/Director/CEO
Partner/Proprietor**

Witness:-

1)

S/o Mr.

Age:

Add:

Occ:

2).....

S/o Mr.

Age:

Add:

Occ:

Place:

Date: DD/MM/YYYY