**AGREEMENT FOR SALE OF RUNNING BUSINESS TO THE PROMOTERS OF THE COMPANY**

An Agreement made at………….this………….day of………….20………….between A, son of………….resident of..........................(hereinafter called the "Vendor") of the ONE PART and B, son of…………. resident of………….C, son of........................ resident of………….and D, son of resident of…………. (hereinafter collectively called the"Promoters") of the OTHER PART.

**WHEREAS** the Vendor is carrying on business as sole proprietor of manufacturers of electronic goods under the name and style of M/s. ......................at ………….hereinafter called the said business;

**AND WHEREAS** the Vendor as the owner of the said business along with the freehold and leasehold property more particularly described in the First Schedule hereunder written, fixed plant, machinery and fixtures thereon, stock-in-trade and all other properties and assets of the said business, the details of which are given in the Second Schedule hereunder written, has agreed to sell the said business alongwith its assets to the promoters, who are promoting a company with the name X Y Z Co. Ltd. under the Companies Act, 1956 and in respect of the said name, the Registrar of Companies, ....................., ....................has conveyed no objection vide Letter No. ..................dated………….

**NOW IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:**

(1) The Vendor will sell and the promoters will purchase the said business of electronic goods manufacturers now carried on by the Vendor at ………….under the name and style of………….M/s ………….as a going concern, with all the assets thereof including goodwill, freehold and leasehold property described in the First Schedule hereunder written, fixed plant, machinery and other fixtures thereon, stock-in-trade, book debts, trade marks, benefit of subsisting contracts and all other property and assets of the Vendor relating to the said business details of which are given in the Second Schedule hereunder written within six months for a sum of Rs ………….out of which Rs . ………….have been paid to the said Vendor (the receipt whereof the Vendor hereby acknowledges) and the balance of Rs ………….will be paid in ………….equity shares of Rs . ........each of X Y Z Co. Ltd. in accordance with the Memorandum and Articles of the said company.

(2) The vendor shall deliver to the Promoters an abstract of title to the premises of the said business within………….days from the date hereof. The Vendor shall satisfy the Promoter's Solicitors about his title to the said premises by complying with the requisitions and removing the objections raised by the Promoter's Solicitors. If the Vendor shall be unable to comply with the requisitions or remove the objections, the Vendor may by notice in writing to the Promoters rescind the sale.

(3) The Promoters shall form a company under the Companies Act, 1956 in the name of X Y Z Co. Ltd., with the nominal capital of Rs . ………….divided into………….equity shares of Rs. 10 each and out of the said shares………….equity shares will be issued to the Vendor or his nominees as nominees of the Promoters in part payment of the purchase consideration payable under clause 1 hereof.

(4) The purchase shall be completed on the ………….day of………….at the office of M/s ………….Solicitors and Advocates for the Vendor within six months from the date hereof and the Promoters shall hand over to the Vendor certificates of the said shares and the Vendor shall execute and do all such deeds and things as may be necessary for effectually vesting the said business and premises in the company.

(5) The Promoters undertake to pay and discharge the debts and liabilities of the Vendor in respect of the said business and the assets thereof subsisting on the date aforesaid and shall indemnify and keep indemnified the Vendor against all actions, proceedings, claims and demands in respect thereof.

(6) The Vendor will not undertake the business of for a period of………….years after the completion of the sale under this agreement within a radius of…………. Kms.

(7) The stamp duty and all costs incidental to this agreement, formation and incorporation of the Company including the conveyance and assignment to the Promoters of the Company shall be borne by the Promoters.

(8) If the sale is not completed on or before the date hereinbefore fixed for completion, the Vendor shall have the right by notice in writing to the Promoters to rescind this agreement and thereupon the amount paid by the Promoters on the execution of these presents shall be forfeited to the Vendor and neither party shall have any claim against the other for expenses, damages or sustained otherwise

**IN WITNESS WHEREOF** the parties have set their hands and signatures the day and year hereinabove written

The Schedule above referred to

WITNESSES Signed and delivered by the within named Vendor

1 .

2. Signed and delivered by the within named Promoters B, C and D