**AGREEMENT FOR SALE OF SUBSTANTIAL NUMBER OF SHARES IN A PUBLIC LIMITED COMPANY**

THIS MEMORANDUM OF UNDERSTANDING is made this............. day of……….20 One thousand nine hundred and Ninety……….between X Y & Co. India Limited, a Company incorporated under the Companies Act, 1956 and having its Registered Office at .................hereinafter called "the Seller"(which expression shall unless excluded by or repugnant to the context be deemed to mean and include its successors and Assigns) of the

FIRST PART, X of Bombay residing at ................. hereinafter called "the Purchaser" (which expression shall unless excluded by or repugnant to the context be deemed to mean and include his heirs, executors, administrators, legal representatives, assigns and nominee) of the SECOND PART and Y son of Late………. residing at ....................and carrying on business as sole Proprietor of Y & Sons as share brokers at...........................,................... India, hereinafter called "the Share Broker") of the THIRD PART.

NOW THIS MEMORANDUM OF UNDERSTANDING WITNESSETH AS FOLLOWS:

(1) The seller agrees to sell and the purchaser agrees to purchase and……….Ordinary Shares of Rs. 10 fully paid and……….preference shares of Rs. 10 fully paid of A B & Co. Ltd., details of which shares are set out in the list enclosed at or for the consideration of Rs . ……….calculated at the rate of Rs ……….per equity share and Rs ……….per preference share together with 1% brokerage equivalent to Rs ……….subject to the terms and conditions hereinafter contained.

(2) The purchaser will deposit the above consideration money being the value of the shares with……….Bank , ……….Branch,....................

(3) The purchase price and the brokerage shall not be changed due to increase or decrease in the fluctuation in market of the shares and the consideration money and the brokerage amount stated above shall be treated as fixed amount.

(4) The transfer of shares will be effected and this MOU is executed subject to the approval of the Companies Act, 1956 and Securities Contracts (Regulation) Act and other applicable provisions of the law.

(5) The seller agrees to lodge, with signatures duly verified by the Registrar of the Company, all the shares accompanied by blank instrument of transfer duly signed by the transferors with.............Bank , ………. as agreed upon within fifteen days from the date hereof.

(6) The ……….Bank ……….shall make payment of the consideration money to the Seller within one week from the date of transfer of shares by the Company.

(7) The seller hereby agrees, declares and undertakes that the seller shall make necessary applications to the statutory authorities within a period of one week from the date of this the shares to the purchaser MOU for the transfer of

(8) (a) to see that permissions of statutory authorities is obtained by complying with requirements under the relevant statute for transferring the shares in favour of the purchaser;

1. (b)    to execute instrument of transfer properly-,

(c) to see that the purchaser's name is recorded in the share register maintained by the company.

(9) The seller hereby agrees and undertakes that the said shares shall be delivered to the . Bank . f ree from any lien, charge, encumbrance, fis pendence and/or attachments

(10) The seller shall arrange for obtaining necessary consents from. Obtain all financial institutions . ……….Bank and other banks for transferring the said shares in favour of the purchaser

(11) It is also agreed that guarantee furnished by the Seller and the Guarantors, full particulars whereof are set out in the list annexed hereto in their respective individual capacities, in favour of banks and financial institutions for securing the financial assistance granted by such banks and financial institutions to A B & Co Ltd., and its subsidiaries namely A B & Sons (P) Ltd., A B & Brothers (P) Ltd., and the A & Co. Ltd., would be released from their respective obligations and liabilities under the guarantees and such guarantee will be substituted by Purchaser's Guarantee in favour of such banks and financial institutions, and purchaser would furnish such guarantee in favour of Banks and financial institutions.

(12) The purchaser reserves the right to terminate and/or cancel at his option this MOU

­(a) if the shares of A B & Co. Ltd. are delisted by Bombay Stock Exchange;

(b) if A B & Co. Ltd. and its subsidiaries namely, A B & Sons (P) Ltd., A B & Brothers (P) Ltd., the A & Co. Ltd. are finally wound up under the provisions of the Companies Act, 1956 or Sick Industrial Companies (Special Provisions) Act, 1985 or any of the immovable properties of the aforesaid 4 Companies including the immovable properties of A B & Co. Ltd., comprised in Mill No……….situated at.................... is sold by any order of the court or otherwise.

1. (c)    if all the shares agreed to be sold by the seller are not permitted to be transferred in favour of the purchaser by any statutory authority;
2. (d)    if the shares held by the seller are not permitted to be transferred in favour of the purchaser by financial institutions, banks, BIFR and any courts;

(e) if any commitment is required to be made by the purchaser before BIFR for revival of the A & Co. Ltd.

(13) The seller confirms that the Board of Directors of the Seller has passed resolutions to sell the aforesaid shares to the purchaser on............................ and the relevant extract of the resolution passed by the Directors is annexed hereto.

(14) This MOU shall remain valid for a period of three months. The validity period of MOU may be extended for such further period as may be mutually agreed upon between the parties hereto.

(15) The share broker hereby confirms and agrees to act as share broker in the above transaction.

IN WITNESS WHEREOF these presents have been executed by the parties hereto on the day, month and year first above written.

**WITNESSES** Signed and delivered for and on behalf of the above­ named seller X Y & Co. Ltd. by Shri M, one of its

Directors pursuant to the Resolution of the Seller passed on ……….

For X Y & Co. Ltd. Director

Signed and delivered by the above-named purchaser X

Signed and delivered by the Share Broker