

ASSET PURCHASE AGREEMENT

BETWEEN

("SELLER")

AND

("BUYER")

Dated as of _____, 200_

AGREEMENT FOR THE PURCHASE OF ASSETS

THIS AGREEMENT FOR THE PURCHASE AND SALE OF ASSETS ("**Agreement**") is made as of this ____ day of _____, 200__

BY AND BETWEEN

_____, a company incorporated under the Companies Act, 1956 and _____ having _____ its _____ registered _____ office _____ at _____ (hereinafter referred to as the "**Seller**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors).

AND

_____, a company incorporated under the Companies Act, 1956 and _____ having _____ its _____ registered _____ office _____ at _____ (hereinafter referred to as the "**Purchaser**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors, transferees and assigns);

(Both the "Seller" and the "Purchaser" are also jointly referred to herein as "Parties" and individually a "Party")

WITNESSETH:

- A. The Seller is engaged in the business of _____ and desires to sell, transfer, convey and assign on a piecemeal basis to the Purchaser all rights, interest and title in certain specified assets for the Purchase Price (as defined below) and upon the terms and subject to the conditions contained in this Agreement.
- B. The Purchaser also desires to purchase certain specified assets from the Seller for the Purchase Price and upon the terms and subject to the conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS & INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, the following words and phrases shall have the following meanings:

"Affiliate" of a party means any other Person controlling, controlled by, or under common control with, such party. For purposes of this definition, "control" means the power to direct the management and policies of a party, whether through the ownership of voting securities or by agreement or otherwise;

"Branded Goods" means the inventory of the branded products such as held by the Seller as of close of business on _____, 200__, as more particularly described in Schedule 2.1, and being transferred to the Purchaser.;

"Branded Goods Purchase Price" means such component of the Purchase Price which is payable by the Purchaser to the Seller as a consideration for the transfer and delivery of the Branded Goods from the Seller to the Purchaser the value of which is set out in Schedule 2.1.

"Business Day" means a day that is not a Saturday, a Sunday or a statutory or civic holiday in New Delhi or any other day on which the registered/principal offices of either the

Seller or the Purchaser are closed, whether in accordance with established company policy or as a result of unanticipated events;

"Closing" means and shall be deemed to occur on completion of all transactions contemplated under Section 2.2 to the satisfaction of the Purchaser;

"Consents and Approvals" means all consents and approvals required to be obtained by either the Seller or the Purchaser in connection with the execution, delivery and performance of this Agreement and all other documents as are necessary to give effect to the completion of the transactions contemplated by this Agreement or to permit the Purchaser to use the Purchased Assets, including, without limitation, consents and approvals of each party's board of directors or shareholders (or its equivalent) if such party is a corporation or company, as necessary or appropriate;

"Effective Date" means ____, 200_;

"Encumbrance" means any encumbrance of any kind whatever and includes any security interest, mortgage, deed of trust, lien, judgment, hypothecation, pledge, tax lien, assessment, restriction, or burden or any other right or claim of others, affecting the Purchased Assets and any restrictive covenant or other agreement, restriction or limitation on the use of the Purchased Assets;

"Furniture and Fixture" shall mean furniture and fixture, as affixed in the show rooms, the details of which are given in Schedule 2.1 of this Agreement,

"Governmental Body" means any court, government, department, commission, board, agency, bureau, official or other regulatory, administrative or governmental authority;

"Notices" means the notices required to be given in writing to any Person under applicable law or pursuant to any contract including this Agreement;

"Person" means any individual, corporation, partnership, firm, association, joint venture, joint stock company, trust or other entity, or any government or regulatory, administrative or political subdivision or agency, department or instrumentality thereof;

"Purchased Assets" means collectively, the Branded Goods and Furniture and Fixture (including all relevant records thereto) and includes all rights, title and interest in with respect to said assets, together with the right to represent to third parties that the Purchaser is the owner of the Purchased Assets, whether or not such assets, properties or rights have any value for accounting purposes or are carried or reflected on or specifically referred to in the Seller's books or financial statements, as are necessary to reflect all of the Purchased Assets as of the Effective Date;

"Purchase Price" means, the consideration of a sum of INR _____ (Indian Rupees _____) payable by the Purchaser to the Seller for the Purchased Assets, details of which are set out in Schedule 2.1, which can be subject to reconciliation in terms of Section 2.4 of this Agreement;

1.2 Other Definitional and Interpretive Matters

Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Headings. The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement

to any "Section" are to the corresponding Section of this Agreement unless otherwise specified.

Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

Schedules and Exhibits. The Schedules and Exhibits attached to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

2. PURCHASE AND SALE OF ASSETS

2.1 Purchased Assets.

Upon the terms and subject to the conditions of this Agreement, the Seller, as owner of the Purchased Assets hereby agrees to sell, transfer, assign, convey and deliver on a piecemeal basis to the Purchaser, free and clear of all Encumbrances and the Purchaser, in reliance on the representations and warranties of the Seller contained herein, hereby agrees to purchase, acquire and accept from the Seller all of the Seller's right, title and interest (whether beneficial or of record) in, to and under the Purchased Assets, as the same shall exist on the Effective Date at the values as set out in Schedule 2.1 and appearing against the respective Purchased Assets. The value of the Purchased Assets as of the date hereof is provided under Schedule 2.1, which may be subject to modifications and changes based on the reconciliation of the records and the accounts of the Seller as of the date hereof.

On and from the Effective Date till the Closing, the Seller undertakes not to sell, lease or otherwise dispose of any Purchased Assets, or enter into any commitment to do so with any third party and shall hold the Purchased Assets, or relevant interest in the Purchased Assets, on trust for the Purchaser or its nominee (to the extent permitted by any relevant law) until such time as the transfer is validly effected to vest the Purchased Asset or relevant interest in the Purchase Asset in the Purchaser or its nominee.

2.2 Closing of transactions

On and from the date hereof the Seller shall as soon as practicable complete the transactions contemplated hereinbelow based on the reconciliation of the records and the accounts of the Seller pertaining to the Purchased Assets in terms of Section 2.4. From time to time following the Effective Date, the Seller shall execute and deliver, or cause to be executed and delivered to the Purchaser such additional instruments of conveyance and transfer as the Purchaser may reasonably request or as may be otherwise necessary to effectively convey or transfer to, and vest in, the Purchaser and put the Purchaser in possession of and/or control of any part of the Purchased Assets.

Closing shall be deemed to occur only upon completion of transactions contemplated hereinbelow, to the satisfaction of the Purchaser. After the Closing, the Purchaser shall own all of the Purchased Assets and that the Seller shall have no right to possess, control or act with respect to any Purchased Assets in any manner whatsoever.

(i) Delivery of Branded Goods

Upon the terms and subject to the conditions of this Agreement the Seller shall deliver or cause to be delivered to the Purchaser in a phased manner the Branded Goods together with all records, deeds and documents pertaining thereto, against one or more invoices raised by the Seller in favor of Purchaser, detailing the value of such Branded Goods on the date hereof, for an aggregate consideration equal to the Branded Goods Purchase Price, subject to reconciliation, if any in terms of Section 2.4 of this Agreement. Any taxes payable on the sale of the Branded Goods shall be borne by _____. The delivery of the Branded Goods may be effected in a manner mutually agreed to by the parties.

2.3 Purchase Price.

In consideration of the transactions contemplated hereby, the Purchaser hereby agrees to pay to the Seller, the Purchase Price. The Purchase Price shall form the full and final consideration to be paid or parted from the Purchaser to the Seller under this Agreement for the transactions contemplated hereunder and for all subsequent deeds, instruments, contracts or actions that have or may have to be executed, performed or taken by and between the parties and/or with any other Person in order to give complete effect and force to this Agreement or any of the obligations contained herein. No further consideration shall be paid and/or be payable by the Purchaser in any manner whatsoever. The Purchase Price is exclusive of all applicable taxes, duties, surcharge, which may be levied in respect of transfer of each asset forming a part of the Purchased Assets. 2.4 The Purchase Price is determined in accordance with the values of the Purchased Assets set out in Schedule 2.1. Such values are subject to modification, if any, based on the final reconciliation of the accounts of the Seller in respect of the Purchased Assets. As soon as reasonably practicable and no later than 10 days following the Effective Date, the Seller shall have completed the reconciliation of all records and accounts pertaining to the Purchased Assets and shall prepare and deliver to the Purchaser the details of the Purchased Assets as would form Schedule 2.1 of this Agreement. Pursuant to completion of such reconciliation, the Seller shall forthwith provide to the Purchaser a detailed list of the assets comprising the Purchased Assets.

3. REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller hereby represents and warrants to the Purchaser that as of the date hereof each of the statements set forth in this Section 3 is true and correct in all respects and shall continue to be true and correct through the Closing and thereafter.

3.1 Organization and Authority.

The Seller is a company duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate power to execute and deliver this Agreement and all other documents to which it is a party and to effect the transaction contemplated hereby and has duly authorized the execution, delivery and performance of this Agreement by all necessary corporate action. The Seller has the requisite corporate power to use the Purchased Assets as currently constituted. The Seller is not insolvent, bankrupt and has not applied for or consented to any appointment of, or that taking of possession by a receiver or liquidator or itself, or of all or a substantial part of its assets and has not commenced any voluntary case for winding up under applicable laws and also has not commenced any reorganization, stay, moratorium or similar debtor-relief proceedings, or unable to pay its debts as they become due, or admitting in writing its inability to pay its debts or making assignment for the benefit of its creditors.

3.2 Authorization; Binding Obligation

This Agreement has been duly executed and delivered, or will be duly executed and delivered, by the Seller and, assuming due authorization, this Agreement to which the Seller is a party constitute or will constitute the valid and legally binding obligations of the Seller enforceable against it in accordance with its terms.

3.3 No Violations

- (a) The execution and delivery and performance of this Agreement, whenever executed and delivered, by the Seller and the consummation by the Seller of the transactions contemplated hereby do not and will not result in a breach or violation of any provision of the Seller's memorandum and articles of association or other organizational documents, as applicable, or in violation of any statute, rule, regulation or ordinance applicable to the Seller or result in a material breach of or constitute a occurrence of default (or an event that might, upon the passage of time or the giving of notice, or both, constitute a occurrence of default) under any provision of, result in the acceleration or cancellation of any obligation under, or give rise to a right by any party to terminate or amend its obligations under, any mortgage, deed of trust, conveyance to secure debt, note, loan, indenture, lien, lease, agreement, instrument, order, judgment, decree or other contract, license or other arrangement or commitment which is primarily related to the Purchased Assets to which the Seller is a party, or violate any order, judgment, decree, rule or regulation of any Governmental Body having jurisdiction over the Seller or the Purchased Assets.
- (b) All Consents and Approvals required to be obtained (if any) by the Seller in connection with the execution and delivery of this Agreement or the completion of the transactions contemplated hereby have been obtained;

3.4 Title to Assets

The Seller has good and marketable title to all the Purchased Assets, free and clear of Encumbrances and free from any restriction or onerous covenants. The Seller has legal rights to all of the intangible Purchased Assets free and clear of Encumbrances and free from any restriction or onerous covenants.

3.5 Compliance with Laws; Litigation

The Purchased Assets have been used by the Seller in compliance with all applicable laws, rules, regulations, ordinances, decrees, orders, injunctions, judgments, permits and licenses of any Governmental Bodies. There have not been within the three (3) years prior to the execution of this Agreement and there are presently no litigation, arbitration or administrative proceedings current or pending or threatened against or by the Seller, which might have an adverse effect on the Purchased Assets (whether financial or otherwise), or that purports to affect the legality, validity, binding effect or enforceability of this Agreement and that there are no governmental investigations or notices of violation or non-compliance under any permits or licenses or otherwise under applicable law pending or, threatened against the Seller with regard to the Purchased Assets.

3.6 Notices

No notice is required to be delivered to any Person in connection with the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement.

3.7 No Non-Assignable Assets

None of the Purchased Assets to be assigned or transferred under this Agreement is by its terms or by law non-assignable, or is non-assignable without the consent of Third Parties.

3.8 Disclosure

The Seller has fully disclosed to the Purchaser all matters, which could have an adverse effect on the Purchased Assets. This Agreement does not contain any untrue statement by the Seller of a material fact or omit to state a material fact necessary to make the statements made therein by the Seller, in light of the circumstances under which they were made, not misleading.

3.9 Insurance

The Seller has insured the Purchased Assets with financially sound and reputable insurers against such risks and in such amounts as are normally maintained by Persons carrying on the same or a similar class of business and the insurance cover is valid as on the Effective Date.

4. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Seller that each of the statements set forth in this Section 4 shall be true and correct in all respects.

4.1 Organization and Authority

The Purchaser is a company duly organized and validly existing under the laws of its jurisdiction of incorporation or formation, and has full corporate power to execute and deliver this Agreement to which it is a party and to effect the transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of this Agreement by all necessary corporate action. The Purchaser has the requisite corporate power to conduct its business as presently conducted.

4.2 Authorization; Binding Obligations

This Agreement has been duly executed and delivered, or will be duly executed and delivered, by the Purchaser and, assuming due authorization, this Agreement to which the Purchaser is a party constitute or will constitute the valid and legally binding obligations of the Purchaser enforceable against it in accordance with its terms, except to the extent that enforcement of the rights and remedies created hereby may be limited by bankruptcy and other similar laws of general application affecting the rights and remedies of creditors and by general equity principles.

4.3 The execution, delivery and performance of this Agreement, whenever executed and delivered, by the Purchaser and the consummation by the Purchaser, of the transactions contemplated hereby do not and will not result in a breach or violation of any provision of the Purchaser's memorandum and articles of association or other organizational documents, as applicable, or in violation of any statute, rule, regulation or ordinance applicable to the Purchaser.

4.4 All Consents and Approvals required to be obtained (if any) by the Purchaser in connection with the execution and delivery of this Agreement or the completion of the transactions contemplated hereby have been obtained.

5. MISCELLANEOUS PROVISIONS

5.1 Notices

All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given upon receipt if (i) mailed by certified or registered mail, return receipt requested, (ii) sent by express carrier, fee prepaid, (iii) sent via facsimile with receipt confirmed, or (iv) delivered personally, addressed as follows or to such other address or addresses of which the respective party shall have notified the other.

Attention: Mr. _____

Attention: _____

5.2 Expenses

Except as otherwise provided in this Agreement, each party to this Agreement will bear all the fees, costs and expenses that are incurred by it in connection with the transactions contemplated hereby, whether or not such transactions are consummated.

5.3 Modification

Any modification to this Agreement shall be effected through a written instrument duly executed by both the parties.

5.4 Assignment; Binding Effect; Severability

This Agreement and the obligations thereunder shall not be assigned by any party without the other party's written consent. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the permitted successors, legal representatives and permitted assigns of each party hereto. The provisions of this Agreement are severable, and in the event that any one or more provisions are deemed illegal or unenforceable the remaining provisions shall remain in full force and effect unless the deletion of such provision shall cause this Agreement to become materially adverse to either party, in which event the parties shall use commercially reasonable efforts to arrive at an accommodation that best preserves for the parties the benefits and obligations of the offending provision.

5.5 Governing Law; Forum

This Agreement shall be governed by and construed and enforced in accordance with the applicable laws of India without regard to any principles governing conflicts of laws.

5.6 Execution in Counterparts

This Agreement may be executed in any number of counterparts and by facsimile with the same effect as if the signatures thereto were in original and on one instrument.

5.7 No Third Party Beneficiaries

Except as expressly provided by this Agreement, nothing in this Agreement, express or implied, is intended to or shall (a) confer on any Person other than the Parties hereto and/or their Affiliates and their respective permitted successors or assigns any rights (including third party beneficiary rights), remedies, obligations or liabilities under or by reason of this Agreement or (b) constitute the parties hereto as partners or as participants in a joint venture. Except as expressly provided by this Agreement, this Agreement shall not provide third parties with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to the terms of this Agreement.

5.8 Specific Enforcement

The Parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

5.9 Further Assurances

The Parties shall execute such further documents, and perform such further acts, as may be reasonably necessary to transfer and convey the Purchased Assets to the Purchaser, or effect or confirm the assumption of the Assumed Liabilities by the Purchaser, on the terms herein contained, and to otherwise comply with the terms of this Agreement and consummate the transactions contemplated hereby.

(Remainder page intentionally left blank)

[Signature Page Follows]

[Signature Page to the Asset Purchase Agreement]

IN WITNESS WHEREOF, each of the Parties have caused this Agreement to be duly executed on its behalf by its duly authorized officer as of the date first written above.

Name:
Title:

1.

Witness

Name:
Title:

2.

SCHEDULE 2.1

Details of the Purchased Assets & SALE Values of, 200____

The aforesaid values of Branded Goods and Furniture and Fixture as of the date hereof are subject to modifications and updation pursuant to the reconciliation of the records and the accounts of the Seller pertaining to the Purchased Assets as of the Effective Date. Pursuant to the completion of such reconciliation, the Seller shall forthwith provide to the Purchaser a detailed list of the assets comprising the Purchased Assets which details shall be construed to form a part of this Schedule 2.1.