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## BUSINESS TRANSFER AGREEMENT

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THIS BUSINESS TRANSFER AGREEMENT (“**Agreement**”) is entered into on the \_\_\_\_\_, 20\_\_\_\_ **BETWEEN:**

\_\_\_\_\_ (**name**) a company duly incorporated under the (Companies Act, 1956/2013) and having its registered at \_\_\_\_\_ (**address**) (herein after referred to as the “**Seller**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the **FIRST PART**;

\_\_\_\_\_ (**Name**), a company duly incorporated under the (Companies Act, 1956/2013) and having its registered at \_\_\_\_\_ (**address**) (herein after referred to as the “**Purchaser**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the **SECOND PART**; and

(The Purchaser and the Seller shall be individually referred to as a “**Party**” and collectively referred to as the “**Parties**”, as the context may require).

### **WHEREAS:**

- A. The Seller is inter alia engaged in the business of \_\_\_\_\_ (**insert description**).
- B. The Purchaser is an (Indian company) incorporated on and from \_\_\_\_\_ (**date**) and is engaged in (**insert description**);
- C. The Seller has agreed to sell and the Purchaser has agreed to purchase the Business (as defined hereinafter) on a slump sale basis and as a going concern on the terms and conditions of this Agreement.

**NOW THEREFORE**, in consideration of the above recitals, the representations, warranties, covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are now acknowledged, the Parties agree as follows:

### **1. DEFINITIONS AND INTERPRETATION**

1.1 The capitalized terms used in this Agreement shall have the meanings ascribed to them at Part A to Schedule "A" to this Agreement.

1.2 Agreement shall be interrelated in a manner and on the basis of principles as provided in Part B to Schedule "A" to this Agreement.

## 2. SALE AND TRANSFER OF BUSINESS

2.1 Transfer of Business. The Seller hereby agrees to sell, assign, convey and transfer the Business as a going concern to the Purchaser, and the Purchaser agrees to purchase the Business on the terms of this Agreement, at Closing.

2.2 Liabilities. All amounts due and payable to the Employees in respect of their employment with the Purchaser after the Closing shall be borne and paid by the Purchaser. All duties, obligations and liabilities under the Contracts in respect of services rendered by the Purchaser there under after the Closing shall be borne and discharged by the Purchaser. All other statutory dues and liabilities relating to the Business and accruing in relation to the period after the Closing shall be discharged by the Purchaser.

2.3 Title and Risk. Subject to the terms and conditions of this Agreement, title to and risk in the Business shall pass to the Purchaser at the Closing.

2.4 (Grant of License. The Seller shall at Closing grant a perpetual and royalty-free license to the Purchaser to \_\_\_\_\_ (**insert details**) and all associated intellectual property rights in accordance with the terms of the License Agreement in the format as mutually agreed between the Parties.)

## 3. EMPLOYEES

3.1 The Seller shall terminate the employment of the Employees at the Closing, and the Purchaser shall employ the Employees with effect from the Closing on terms and conditions of service, which are no less favourable than those, which, the Employees enjoyed immediately prior to the Closing with the Seller without any interruption or break in service.

3.2 All wages, salaries and other entitlements of the Employees under their respective employment/consultancy contracts and all tax deductions and other contributions relating thereto (including gratuity) which are due and payable at the Closing shall be paid and discharged by the Seller in respect of the period up to Closing.

- 3.3 The accumulated balances of the Employees in the funds maintained with the Regional Provident Fund Commissioner shall be transferred from the Seller's account with the Regional Provident Fund Commissioner to the Purchaser's account with the Regional Provident Fund Commissioner. The Seller shall issue a notice in writing to the Regional Provident Fund Commissioner, informing him of change in ownership of Business.

#### 4. PURCHASE PRICE

- 4.1 Purchase Price. The purchase price for the transfer of the Business shall be a lump-sum price of the \_\_\_\_\_ (insert amount) (the "Purchase Price") payable by way of (pay order or banker's draft drawn or by way of telegraphic transfer to such account(s) as may be notified to the Purchaser in writing at least five (5) business days prior to the Closing). Except for the purchase price, no other amounts shall be payable by the Purchaser to the Seller under this Agreement. The purchase price shall not be subject to escalation.
- 4.2 Deduction & Set-off. It is agreed and understood that any claims or demands of the Purchaser in respect of the Specified Indemnities set out at Schedule "F" of this Agreement may be deducted and set off against all or any part of the Purchase Price. Other than as provided under this clause and applicable withholding of tax at source, Purchase Price shall not be subject to any set off or deduction.
- 4.3 The (Seller/Purchaser) shall be solely responsible for all Taxes payable in respect of the sale and transfer of the Business, including any existing tax liabilities in respect of the Assets.

#### 5. REPRESENTATIONS AND WARRANTIES

The Seller represents and warrants to the Purchaser that the statements contained in Part A to Schedule "B" are true and correct, except as specifically disclosed in the Disclosure Schedule set out at Schedule "C" and shall remain true as on the Closing Date. The Purchaser represents and warrants to the Purchaser that the statements contained in Part B to Schedule "B" are true and correct and shall remain true as on the Closing Date.

The representations and warranties, and to the extent that they have not been fully performed at or prior to the Closing Time, the covenants and agreements, contained in this Agreement shall survive the Closing for the maximum period allowable under Applicable Law.

#### 6. CONDITIONS PRECEDENT

The obligations of the Purchaser to proceed with the Closing of the transactions contemplated under this Agreement shall be subject to the fulfilment on or before the Closing of each of the conditions precedent set out at Schedule “D” to this Agreement.

## **7. CONDUCT PRIOR TO CLOSING**

Conduct of business of Seller. During the period from the date of this Agreement and up to the Closing, the Seller agrees that it shall (a) carry on the Business in the Ordinary Course of Business in substantially the same manner as heretofore conducted; (b) pay its debts and Taxes when due, (c) pay or perform other obligations when due; and (d) preserve intact the Business, keep available the services of its present Employees and preserve its relationship with, customers and lessors, having business dealings with it, to the end that its ongoing ability to provide services shall be unimpaired at the Closing.

## **8. CLOSING**

Subject to the fulfilment of the Conditions Precedent set forth in Schedule “D” hereto and the receipt of the Deliverables by the Purchaser set forth in Schedule “E”, the Closing will be in accordance with the terms of this Agreement. On or prior to the Closing, the Seller shall make the deliveries listed at Schedule “E” to the Purchaser. .

## **9. POST-CLOSING OBLIGATIONS**

**9.1** On and after Closing, the Seller shall be obliged to promptly deliver to the Purchaser any payment, notice, correspondence, information or enquiry in relation to the Business which it receives.

### **9.2** Non-competition.

(a) The Seller agrees that on and after Closing it shall not, and shall cause its affiliates, relatives, associates, promoters and whole-time directors not to, engage, directly or indirectly in any of the following activities:

(i) Business or \_\_\_\_\_ (**insert specific activities relating to Business**)

(ii) Other business. The Seller shall not be entitled to engage in any business competing with the activities of the Purchaser or Business, save and except \_\_\_\_\_ (**insert exceptions, if any**).

- (iii) The use or disclosure of any client database, intellectual property, (source or object code), or other confidential or proprietary information of the Business or other know-how or other information pertaining to the Business or its customers or suppliers;
  - (iv) The solicitation of any customers or suppliers of the Business to terminate or otherwise adversely modify their relationship with the Business; or
  - (v) The solicitation, engagement or retention in any capacity of any Employee of the Business or any director, officer or executive of the Purchaser, including but not limited to, involvement directly or indirectly of the Employees in any business involving the Business activity or related services.
- (b) The Purchaser agrees that on and after Closing it shall not, and shall cause its affiliates, relatives, associates, promoters and whole-time directors not to, engage, directly or indirectly in the \_\_\_\_\_ **(insert description of activities of Seller other than the Business)** save and except \_\_\_\_\_ **(insert exceptions, if any)**.
- (c) Each of the covenants contained in this Section 9.2 shall be construed as a separate covenant and if, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants of this Section 9.2, then such covenant shall be deemed included herein only to the extent enforceable as permitted under Applicable Laws for the purpose of such proceeding or any other judicial proceeding to the extent necessary to permit the remaining covenants to be enforced.

## 10. CONDITIONS SUBSEQUENT:

Within Thirty (30) days after the Closing, the Seller shall:

- a. Apply for and receive all of the Required Contract Consents on terms not less favourable than those applicable to the Seller immediately prior to Closing. All liabilities arising in relation to defaults under the Transferred Contracts due to their assignment without the Required Contract Consent shall be borne and discharged by the Seller, and the Purchaser shall not be responsible for the same.
- b. The Seller shall negotiate with the landlords of the premises held on leave & license basis currently occupied by the Seller for the purposes of the Business, to renew the leave

& license agreement in favour of the Purchaser on the same terms and conditions of the earlier leave & license agreement between the Seller and the Landlord.

- c. Transfer the accumulated balances of the Employees to the provident fund maintained by Purchaser with the Regional Provident Fund Commissioner.
- d. Issue letters to all appropriate Governmental Authorities intimating them of the transfer of the Business to the Purchaser.

## **11. INDEMNIFICATION**

**11.1** Each Party (an “Indemnifying Party”) agrees to indemnify and keep indemnified and hold harmless the other Party (the “Indemnified Party”) from and against any and all losses, penalties, judgments, suits, costs, claims, liabilities, assessments, damages and expenses (including, without limitation, reasonable attorneys’ fees and disbursements) incurred by, imposed upon arising from or asserted against the other Party as a result of relating to or arising out of any breach, default or non-compliance under this Agreement.

Seller (an “Indemnifying Party”) agrees to indemnify and keep indemnified and hold harmless Purchaser (the “Indemnified Party”) from and against any and all losses, penalties, judgments, suits, costs, claims, liabilities, assessments, Damages and expenses (including, without limitation, reasonable attorneys’ fees and disbursements) (collectively, “Losses”), incurred by, imposed upon arising from or asserted against the Purchaser as a result of relating to or arising out of the Specified Indemnities.

### **11.2** Procedure for Indemnification.

- a. The Indemnified Party shall give notice to the Indemnifying Party of any claim, specifying in reasonable detail the factual basis for the claim, the amount thereof, estimated in good faith, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such claim shall have occurred.
- b. The Indemnified Party and the Indemnifying Party shall consult with each other and in good faith endeavor to resolve any claims under this Section in a mutually acceptable manner.

### **11.3** Claims between Parties.

- a. With respect to claim solely between the parties hereto, following receipt of written notice from the Indemnified Party of a claim, the Indemnifying Party shall

have fifteen (15) days to make such investigation of the claim as the Indemnifying Party deems necessary or desirable, and the Indemnified Party agrees to make available to the Indemnifying Party reasonable access to documents and information to substantiate the claim.

- b. If the Indemnified Party disputes the claim, the Indemnified Party, without prejudice to its rights to seek recovery of the claim against the Indemnifying Party, shall be entitled to apply to a Court or an arbitral tribunal constituted under Section 13.4 for set-off, deduction and/or suspension of payment of any part of the Purchase Price to the Seller and the Purchaser shall be entitled to set-off, deduct or suspend payment of such part of the Purchase as is ordered by the Court or arbitral tribunal (on an interim or final basis).

**11.4 Third-Party Claims.** The obligations and liabilities of each party to this Agreement under this Section 11 hereof related to third party claims shall be subject to the following terms and conditions:

- a. At any time after receipt of notice of any third-party claim asserted against, imposed upon or incurred by an Indemnified Party, the Indemnified Party shall notify the Indemnifying Party of such claim in writing. The Indemnified Party hereby appoints the Indemnifying Party and the Indemnifying Party shall be entitled, at its own expenses, to participate in and shall undertake the defense thereof in good faith for and on behalf of the Indemnified Party by counsel of the Indemnifying Party's own choosing, which counsel shall be satisfactory to the Indemnified Party; provided, however, that in addition, the Indemnified Party shall at all times have the option, at its own expense, to participate fully therein (without controlling such action).
- b. If within thirty (30) days after written notice to the Indemnified Party of the Indemnifying Party's intention to undertake the defense of any third party claim the Indemnifying Party shall fail to defend the Indemnified Party against such third party claim, the Indemnified Party will have the right (but not the obligation) to undertake the defense and/or enter into a compromise or settlement of such third party claim on behalf of, and for the account and at the risk of, the Indemnifying Party.
- c. If the Indemnifying Party disputes the claim, the Indemnified Party, without prejudice to its rights to seek recovery of the claim against the Indemnifying Party, shall be entitled to set-off against the Purchase Price such amount of the claim as is payable by the Indemnified Party pursuant to an order, decree or judgment (interim or final) of a Court or Governmental Authority and if no stay of

such order has been obtained by Seller within 30 days thereafter, provided that payment of the Purchase Price shall be suspended during such 30 day period.

- 11.5** Other Rights and Remedies Not Affected. The indemnification rights of the parties under this Section 11 are independent of, and in addition to, such rights and remedies as the parties may have at law or in equity or otherwise for any misrepresentations, breach of warranty or failure to fulfil any agreement or covenant hereunder on the part of any party hereto, including the right to seek specific performance, rescission, or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

## **12. TERM & TERMINATION**

This Agreement shall enter into effect from the date of its execution by both the parties hereto. This Agreement may be terminated at any time prior to Closing:

- (a) By mutual written consent of Seller and Purchaser;
- (b) By Purchaser, upon written notice to the Seller, if there shall have been (x) a breach of any Warranty on the part of Seller, or if any Warranty of Seller shall have become untrue in any respect, or (y) a breach by Seller of any of its covenants or agreements hereunder and such breach is not cured within fifteen (15) days after notice thereof by Purchaser.
- (c) By Purchaser, in the event that Seller becomes or is declared insolvent or bankrupt, makes an assignment for the benefit of all or substantially all of its creditors, enters into an agreement for the composition, extension or readjustment of all or substantially all or of its obligations, or becomes the subject of any Proceedings related to its liquidation or insolvency or for the appointment of a receiver or similar officer.

## **13. MISCELLANEOUS**

- 13.1** Successors and Assigns. The Seller shall not assign this Agreement or any of their rights or obligations hereunder without the prior written consent of Purchaser. The Purchaser may at any time assign this Agreement and any of its rights and obligations hereunder to any affiliate of the Purchaser without the consent of the Seller, and to any other party by providing prior notice in writing to the Seller. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or Liabilities under or by reason of this Agreement, except as expressly provided herein.

**13.2** Specific Performance. The parties hereto acknowledge and agree that Damages along would not provide an adequate remedy for any breach or threatened breach of the provisions of this Agreement and therefore that, without prejudice to any and all other rights and remedies a party may have (including but not limited to, Damages), such party shall be entitled without proof of special Damage to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of such provisions. The remedies set forth in this Section 13.2 are cumulative and shall in no way limit any other remedy any party hereto has at law, in equity or pursuant hereto.

**13.3** Governing Law and Jurisdiction. This Agreement shall be governed by the laws of India and subject to clause 13.4, shall be subject to jurisdiction of courts in \_\_\_\_\_ **(insert place)**.

**13.4** Arbitration. The parties hereto irrevocably agree that any dispute, controversy or claim arising out of, relating to or in connection with this Agreement (including any provision of any exhibit, annex or schedule hereto) or the existence, breach, termination or validity hereof shall be finally settled by arbitration. The arbitration shall be conducted in accordance with the Arbitration and Conciliation Act, 1996. The arbitration shall be held in \_\_\_\_\_ **(insert place)**, and shall be conducted by a sole arbitrator appointed by mutual consent of the Seller and the Purchaser, or failing such agreement, such sole arbitrator shall be appointed as per the applicable rules under Arbitration and Conciliation Act, 1996. Nothing in this Section 13.4 shall prevent the parties from obtaining relief from a court of competent jurisdiction in the form of provisional or conservatory measures (including, without limitation, preliminary injunctions to prevent breaches hereof). Any request for such provisional measures by a party to a court shall not be deemed a waiver of this agreement to arbitrate.

**13.5** Notices. All notices, requests, demands and other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed delivered (i) on the date of delivery when delivered by hand; (ii) on the date of transmission when set by facsimile transmission during normal business hours with telephone confirmation of receipt; (iii) three (3) days after dispatch when sent by a reputable courier service that maintains records of receipt; or (iv) seven (7) days after dispatch when sent by first class or airmail letter, provided, however, that in any such case, such communication is addressed provided in Section 13.5. All notices, requests, demands and other communications which are required or may be given pursuant to the terms of this Agreement shall be addressed as follows:

- a. **If to Seller**
  - (i) Name :

- (ii) Address :
- (iii) Attention :
- (iv) Email :

b. **If to Purchaser**

- (i) Name :
- (ii) Address :
- (iii) Email :

or to such other addresses any party shall have designated by notice in the foregoing manner to the other parties.

**13.6** Amendments and Waivers. This Agreement may be modified, supplemented or amended only by a written instrument executed by the parties hereto. No waiver of any provisions, condition or covenant of this Agreement shall be effective as against the waiving party unless such waiver is in a writing signed by the waiving party. Waiver by a party as provided in this Section 13.6 shall not be construed as or constitute either a continuing waiver of such provision, condition or covenant or a waiver of any other provision, condition or covenant hereof. The failure of any party at any time to require performance by the other party of any provision, condition or covenant of this Agreement shall in no way affect its right thereafter to enforce the provision, condition or covenant or any other provision condition or covenant.

**13.7** Severability. If any covenant or provision hereof its determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision, each of which is hereby declared to be separate and distinct. If any provisions of this Agreement are so broad as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable. If any provision of this Agreement is declared invalid or unenforceable for any reason other than over-breadth, the offending provision will be modified so as to maintain the essential benefits of the bargain among the parties hereto to the maximum extent possible, consistent with law and public policy.

**13.8** Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to Purchaser upon any breach or default of Seller under this Agreement, shall impair any such right, power or remedy of Purchaser nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default therefore or thereafter occurring. Any waiver, permit consent or approval of any kind or character on the part of Purchaser of any breach or default under this Agreement, or any waiver on the part of

Purchaser of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to Purchaser, shall be cumulative and not alternative.

- 13.9** Expenses. Irrespective of whether the Closing is affected, each party shall pay all costs and expenses that it incurs with respect to the negotiation, execution, delivery and performance of this Agreement. All stamp duty and registration costs imposed on this Agreement and the instruments and documents executed pursuant hereto shall be shared equally between the Seller and the Purchaser.
- 13.10** Further Assurances. From and after the Closing, the Seller shall from time to time, at the request of the Purchaser and without further cost or expense to the Purchaser, execute and deliver such other instruments of conveyance and transfer and take such other actions as the Purchaser may reasonably request in order more effectively to carry out this Agreement and the transactions contemplated hereunder.
- 13.11** Independent Rights. Each of the rights of the Parties under this Agreement are independent, cumulative and without prejudice to all other rights available to them, and the exercise or non-exercise of any such rights shall not prejudice or constitute a waiver of any other right of a Party, whether under this Agreement or otherwise.
- 13.12** Entire Agreement. This Agreement (together with the Disclosure Schedule, the Schedules, and the other agreements expressly identified in this Agreement) constitutes the entire agreement of the parties with respect to the subject matter hereof and thereof, and supersedes all prior agreements and understanding of the parties, oral and written, with respect to such subject matter.
- 13.13** Counterparts. This Agreement may be executed in any number of originals or counterparts, each in the like form and all of which when taken together shall constitute one and the same document, and any Party may execute this Agreement by signing any one or more of such originals or counterparts.
- 13.14** Survival. Any other provision which by virtue of its nature is intended to survive shall survive the termination of this Agreement.

**IN WITNESS**, the Parties have executed this Business Transfer Agreement as of the date first written above.

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SELLER:

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PURCHASER:

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*[Insert Name]*

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*[Insert Name]*

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**By:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:**

**Name:**

**Title:**

**Title:**

**Address:**

**Address:**

**Authorised Signatory**

**Authorised Signatory**

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Witnesses

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Witnesses

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