

AGREEMENT

THIS AGREEMENT is made at New Delhi on this ... day of _____ between M/s. _____ Limited, a Company incorporated under the Companies Act, 1956 having its Office at..... (hereinafter called the FIRST PARTY) represented through its Director Sh _____; AMONG M/s. _____ (Pvt)Ltd., a Company incorporated under the Companies Act, 1956 having its office at _____ (hereinafter called the SECOND PARTY) represented through its Chief Executive Officer _____: and M/s _____ Limited, a company incorporated under the Companies Act, 1956 having its Office at _____ (hereinafter called the Confirming Party) represented through its Director _____:

The expression First Party, Second Party and Confirming Party shall mean and include unless context otherwise requires its successors, legal heirs, administrators and assigns.

WHEREAS the Party of the first Part is, inter-alia, engaged in the manufacture and sale of Wiring Accessories and Home Automation products and has its manufacturing units located at various places and more particularly at _____.

AND WHEREAS the Second Party is a Joint Venture of M/s. _____ and _____ M/s. _____ and wishes to enter into the business of manufacture and sale of said products.

AND WHEREAS the First Party has shown interest in transferring the raw-material, working progress, finished goods, current assets, movable fixed assets and trade marks known as _____ in relation to manufacture of various electrical range of products under the brand name _____ (hereinafter called the said products) at a consideration to be decided mutually between the parties.

AND WHEREAS the parties have agreed and finalized that till the pendency of the finalization of the consideration as would be payable by the Second Party to the First Party, the business of manufacture and sale of various electrical range of products and transfer of assets as above, the Second Party be allowed to manufacture and sell the aforesaid product with the help of plant and machinery available at the plant of the First Party located at.....

AND WHEREAS the aforesaid arrangement of manufacture and sell will continue till such time the assets are transferred on payment of consideration of Rs..... per month.

NOW, THERFORE, THIS DEED WITNESSETH AS UNDER:-

1. That in consideration of payment of Rs._____per month payable by 5th of each succeeding month by the Second Party to the First Party, the First Party shall allow the use of its dies, moulds, fixtures and other moveable fixed assets, for the manufacture of the said products by the Second Party, the details of which are given separately in a statement attached hereto as a Annexure-I. However, it is specifically made clear that the aforesaid assets would ultimately be sold by the Second Party to the First Party.

2. That it has been agreed and understood between the parties that the aforesaid consideration shall be payable by the Second Party to the First Party so long as the assets as detailed in Annexure-I is not sold by the First Party to the Second Party.

3. That it has been agreed and understood between the parties that as on _____, the raw material, semi-finished goods and the finished goods of the value of Rs..... respectively are lying at the factory premises of the First Party, the details of such inventories are given separately in a Statement attached hereto and marked as Annexure-II, shall be sold and transferred to the Second Party on principle to principle

basis. The aforesaid consideration for transfer of inventories shall be payable by the Second Party to the First Party during in one or more installments and on such payment schedules as may be mutually agreed to between the parties.

4. That the Second Party shall be entitled to requisition the services of Engineers, Technicians, Marketing Professionals and other staff members in conformity with its Production Plan for the coming months for the manufacture and sale of said products and the First Party shall be obliged to transfer the services of such personnel to the rolls of the Second Party on the terms and conditions not inferior to that of the First Party.

5. That the Second Party shall be entitled to sell the finished goods so acquired from the First Party , the details of which are given as per Annexure-II under the Trade Mark “ _____”. The Second Party shall be further entitled to manufacture the said products not only from raw materials, semi-finished goods and consumables so acquired from the First Party but also such raw materials, consumables and packing materials so purchased from the open market and shall be entitled to sell the products in the markets in India under the Trade Mark “ _____”.

6. That it has been represented by the First Party that the Trade Mark ‘ _____’ is owned by M/s. _____ and M/s. _____ has in-turn executed a “Users License Agreement” in favour of M/s. _____., (the First Party herein). Hence, M/s _____ has signed this Agreement as a Confirming Party. The consideration as shown in para 2 hereinabove and as agreed and finalized between the First Party and the Second Party, shall be inclusive of the consideration for transfer of Trade Mark “ _____” in favour of Second Party.

7. That it has been agreed, discussed and finalized between the parties that the valuation of the raw-material, semi-finished, finished goods, current assets and movable fixed assets shall be carried out and finalized on or before..... to the satisfaction of both the parties.

8. That it has been further agreed and finalized between the parties that after the consideration has been finalized in accordance with Clause 7 hereinabove, the consideration so payable by the Second Party to the First Party shall be paid in one or more installments and as per Payment Plan as may be mutually agreed between the parties.

9. That after the payment of consideration, as stated herein above, the Second Party shall be the sole, exclusive and absolute owner of the current assets and the movable fixed assets and also that of Trade Mark “_____” and for which, the First Party shall arrange necessary Agreement to be executed in favour of the Second Party by the Confirming Party. The Confirming Party further confirms, assures and undertakes that it shall have no objection for the manufacture and/or, sale of the said products (manufactured in the Second Party’s manufacturing units or procured from outside) under the Trade Mark “_____” till such time the Agreement is executed between the Second Party and the Confirming Party.

10. That once the Second Party starts manufacture and sale of the said products under the Trade Mark “_____”, the First Party and/or Confirming Party shall not be entitled to manufacture and/or sell the said products under the Trade Mark “_____” either in India or abroad and further the Second Party shall have the sole, absolute and exclusive right to manufacture and sale the said products or any other electrical products under the Trade Mark “_____”.

11. That it has been further agreed and understood among the parties that in case any tax, duty, cess, levy is payable on this transaction, each of the party shall be responsible for payment of such tax, duties, cess or levy payable in accordance with such laws under which such duty, tax, levy or cess has been demanded.

12. That it has been agreed and understood between the parties that this Agreement shall stand lapse automatically after the sale of said assets as specified in Annexure-I attached hereto.

13. That it is agreed and understood between the parties that till such such assets are sold by the First Party to the Second Party, the Second Party shall be bailee of the said assets and shall avoid damage or injury except normal wear and tea due use and passage of time. After the sale of the said products, the Second Party shall become sole, absolute and exclusive owner of the said products and further shall have the right use, enjoy and possess the same in the manner in which the Second Party deem fit and proper.

14. That it has been further represented by both the parties that they have the due and proper authorization to enter into and execute this Agreement after passing of the resolutions from their respective Board of Directors of the First Party, Second Party and the Confirming Party.

15. That in case of any dispute, difference, question, claim, reference, arising out of, touching upon or concerning this agreement or with regard to determination of duties, obligations, responsibilities, rights, interest and entitlement to the parties under this Agreement shall be referred to the Sole Arbitration of an Independent Professional to be appointed by the CEO the Second Party. The decision of the Sole Arbitrator shall be final, conclusive and binding between the parties and shall not be called in question in any Court of Law. The place of arbitration proceedings shall be at _____.

IN WITNESS WHEREOF THE PARTIES HAVE AFFIXED THEIR HANDS, ON THE YEAR, MONTH AND DATE FIRST ABOVE WRITTEN.

1. FIRST PARTY

2 SECOND PARTY

CONFIRMING PARTY