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AGREEMENT FOR SALE OF UNDERTAKING ON AN AS-IS-WHERE-IS SLUMP SALE BASIS

THIS AGREEMENT is made on this 10th Day of February Two Thousand and Sixteen (10-02-2016, "the Execution Date")

BETWEEN

M/s **Malayalam Automobiles Pvt. Ltd.**, a Company incorporated under the Companies Act, 1956 (as amended from time to time and shall include any statutory replacement or re-enactment thereof under the companies Act 2013 and the rules made thereunder), having its registered office at Aashirvad, B-2, Indira Nagar, Judges Avenue, Kaloor, Kochi, Kerala- 682017, *represented by its Director, Mr. S. Ravindranathan* S/o N. Singaravelu, aged 68 years, residing at New No. 10 (Old No. 5), Saradambal street, Gokulam Colony, T. Nagar, Chennai-17 (hereinafter referred to as the "**Vendor**" which expression shall unless it be repugnant to the context or meaning thereof mean and include its successors and permitted assigns) **of the first part.**

AND

M/s. **Vision Motors Pvt. Ltd.**, a Company incorporated under the Companies Act, 1956 (as amended from time to time and shall include any statutory replacement or re-enactment thereof under the companies Act 2013 and the rules made thereunder), having its registered Office at 32/2571, Kuttukaran Centre, Mamangalam, Palarivattom P.O., Ernakulam, Kerala - 682026, *represented by its Managing Director, Mr. Naveen Philip* S/o of late Dr. Philip John, aged 46, residing at Valiyathottathil House, Diwans road, M.G. Road P.O., Kochi, Kerala- 682016, (hereinafter referred to as "**Purchaser**" which expression shall include their respective nominees, legal representatives, assigns and successors) **on the second part.**

The Vendor and the Purchaser shall be collectively referred to as "Parties")

No: 67694 Date: 10.2.16

Value of ₹: 500/-

Sold to: Vision Motors Pvt Ltd

To be linked with Palarivattom

Serial Number from

K. Balachandran
Stamp Vendor
Edappally



WHEREAS the Vendor is carrying on the business of authorised dealership of Honda Cars in Ernakulam District, Kerala, (hereinafter referred to as the **"Business"**) operating various sales showroom and service centres, under the trade name 'Vivaan Honda' at the locations more detailed in **Schedule-I** below (hereinafter referred to as the **"Scheduled Premises"**).

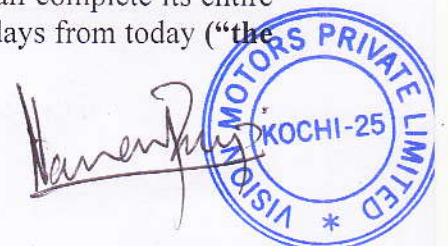
WHEREAS the Purchaser is the authorised dealer of Honda Cars at Thrissur, Kottayam, Pathanamthitta and Kozhikode Districts in Kerala, carrying on the business under the trade name 'Vision Honda'.

WHEREAS the Vendor is desirous of selling its Business including all its Business Assets (hereinafter referred to as **"Business Undertaking"**) as a going concern on an as-is-where-is slump sale basis for a lump sum consideration as specified in Schedule-II hereunder, and the Purchaser has shown interest on purchase of the above Business and Business undertaking of Vendor on the slump sale basis.

NOW WHEREAS upon mutual discussions and upon mutual consent, the parties have arrived at an agreement WHEREBY the Vendor has agreed to sell, transfer and assign to the Purchaser, and the Purchaser has accepted to purchase and acquire, the Business and Business Undertaking of the Vendor, on an as-is-where-is slump sale basis for a lump sum consideration, subject to the terms and conditions hereinafter contained;

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. The Vendor agrees to transfer its Business and Business Undertaking, on a date to be mutually agreed by the parties but not later than 15-02-2016 (**"the Effective Date"**), to the Purchaser including all its movable assets, stocks, deposits attached to the Business, more detailed in Schedule-II below, on a slump sale basis for an aggregate sale consideration of Rs.12.82 Crores (Rupees Twelve Crores and Eighty Two Lakhs Only), (**"the Purchase Consideration"**) being a lump sum value for the Business Undertaking. The Purchaser shall pay the Purchase Consideration by account transfer through R.T.G.S or E.F.T to the bank account of the Vendor as per the payment installments detailed in Clause 7 hereunder.
2. Notwithstanding anything in this Agreement, all liabilities relating to the Business arising prior to Effective Date, including but not limited to salaries and other benefits payable to employees, all taxes, duties and other statutory liabilities in respect of the Business till the Effective Date, shall remain with the Vendor, and shall not be transferred to the Purchaser.
3. With effect from the Effective Date, the Vendor relinquishes all of its rights and interests in the Business Undertaking and releases the Lease hold rights over the Scheduled Premises in favour of the Purchaser, and the Vendor hereby covenants that the Purchaser shall get the full benefit of all rights and interests of the Vendor in the Scheduled Premises and that written consent has been procured from the respective Landlords allowing the Purchaser to continue to occupy and use the Scheduled Premises by executing fresh Lease/ License agreements on similar terms and conditions as currently applicable to the Vendor, for the smooth conduct of Business by the Purchaser in the Scheduled Premises.
4. The Parties mutually agree that simultaneously upon payment of the Purchase Consideration being made by the Purchaser, as per payment terms below, the Vendor shall complete its entire obligation as detailed under Schedule-III hereunder within a period of 30 days from today (**"the Transition Period"**).



5. The Vendor covenants that within the Transition Period, it shall transfer and assign all its rights, title and interest over the Business Undertaking including unexpired lease rights, free of all claims, liens, charges and encumbrances to the Purchaser and upon receipt of the complete Purchase Consideration, the Purchaser shall be in valid and legal possession of the Business Undertaking.
6. The Parties mutually agree and understand that the following procedures shall be followed during the Transition Period:
- (i) From the Effective Date the Purchaser shall raise its own invoices to the customers based on the data generated from the official Honda software "D'Lite" using the Vendor's dealership code until the dealership code for Ernakulam Dealership is allotted to the Purchaser.
 - (ii) The customers' vehicle taken for service and pending completion of work at the service centers as on the Effective Date shall be duly accounted for as 'work in process' and transferred to the Purchaser.
 - (iii) All hypothecations entered in the RC book of demo vehicles and other vehicle owned by the Vendor shall be closed and all such vehicles shall be made free from such hypothecation by entering the release of hypothecation in the RC books by respective banks or financial institutions.
 - (iv) The Vendor shall submit necessary applications/ affidavits to government authorities and other statutory bodies, as may be necessary, for enabling the legal transfer of the Business and Business Undertaking as a going concern to the Purchaser based on this slump sale agreement.
 - (v) The Vendor shall sign and execute all necessary applications/ documents for facilitating the transfer of electricity, water connections, telephone, mobile sim cards etc in favor of Purchaser.
 - (vi) The Vendor shall sign and execute all necessary applications/ documents for facilitating the transfer of all licenses, permits like Corporation/Municipality/Panchayat licenses, pollution control permits, registration under shops and establishments act, registration under Factories and Boilers act etc.
 - (vii) the Vendor shall hand over the list of custodianship of company assets held and used by the employees or third parties;
7. The Parties mutually agree the purchase consideration payable by the Purchaser for acquisition of Business and its Business Undertakings under this slump sale agreement shall be settled in favor of the Vendor in the following manner:-
- a. 60% of the total consideration upon execution of this slump sale agreement and upon executing a duly notarized indemnity cum undertaking by the Vendor indemnifying the Purchaser against all past liabilities connected with the Business and for completion of the Condition subsequent within the stipulated time.
 - b. 25% of the total consideration on the complete handing over of the Business to the Purchaser and upon execution of revised lease deeds by the respective landlords in favor of the Purchaser which shall be completed within 7 days from the Effective Date.

M. Anand



M. Anand



c. Balance 15% on the Vendor completing all its obligations stipulated under Schedule- III.

8. The Vendor has procured and handed over all required approvals and written consents from:

- (i) its Directors as well as share holders to enter into this Slum Sale agreement;
- (ii) its Principals M/s Honda Cars India Limited for the sale of Business to Purchaser.
- (iii) the Landlords of the Leased properties to transfer the lease hold rights in the Scheduled Premises to the Purchaser;
- (iv) the banks, financial institutions and NBFCs for the sale of Business to Purchaser by releasing of all charges, lien, hypothecation and mortgage on the movable and immovable assets of Vendor upon full settlement of its loan dues.
- (v) all its employees, in the prescribed format, for transfer of their employment to the rolls of Purchaser.

I. Purchaser's Covenants, Rights and Obligations:

9. The Purchaser does hereby confirm and declare that:-

- (a) The Purchaser shall file necessary applications and ensure statutory transfers, in the name of the Purchaser, with respect to all registrations and licenses required for running the Business in Schedule Premises and also ensure transfer of ownership rights on Business Undertaking along with the **Business**.
- (b) The Purchaser is authorised to use the Trade Certificates in the name of Vendor, for purpose of transit of the Vehicles in Stock during the Transition Period and thereafter, till the new Trade Certificates are obtained as per statutory procedure in the name of the Purchaser.
- (c) The Purchaser shall from the Effective Date be entitled to run the **Business** under its trade name, 'Vision Honda' by occupying and utilizing the Scheduled Premises on its own, with replaced company name boards for running the business of new car sales and of service centers for the Honda cars as the authorised dealer of Honda Cars India Ltd. in Ernakulam District.
- (d) The Purchaser shall be liable to pay the monthly rents of the Scheduled Premises from the Effective Date directly to its respective Landlords by entering into fresh lease/ license agreements with the property owners on similar terms and conditions at par with the terms of the existing agreements executed by the Landlords with the Vendor.
- (e) The Purchaser shall operate the Business Undertaking at its own cost and expense subject to the procedures agreed under Clause 6 and Clause 9 above;
- (f) The Purchaser shall be responsible for all the liabilities arising out of the Business on or after the Effective Date.

II. Vendor's Covenants, Rights and Obligations:

10. The Vendor does hereby confirm and declare that:-

- (a) the Vendor is the sole and absolute owner of the Business and its Business Undertakings as detailed in Schedule-II herein;

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- (b) the Vendor has herewith furnished the copy of Board resolution and resolution passed in the General Meeting of the Company authorizing the sale of Business and its Business Undertaking to Purchaser together with copy of MGT14 evidencing filing of the same with ROC;
- (c) the Business or Business Undertaking are not part of any attachment proceedings initiated by any court, tax authorities or any other statutory / governments bodies;
- (d) all liabilities relating to the Business arising prior to Effective Date, including but not limited to salaries and other benefits payable to employees, all taxes, duties and other statutory liabilities in respect of the Business till the Effective Date, shall remain with the Vendor, and shall not be transferred to the Purchaser.
- (e) the Vendor shall execute a duly notarised indemnity cum undertaking, indemnifying the Purchaser against all past liabilities connected with the Business and for due completion of the Condition subsequent as stipulated under Schedule –III hereunder.
- (f) The Vendor shall on or before the Effective date assign to the Purchaser all the pending Insurance policies on the Business undertaking covering fire, theft and all perils including natural calamities.
- (g) The Vendor shall on or before the Effective date transfer all its pending orders for vehicles, pending job cards, etc to the Purchaser and handover operation of the Business.
- (h) The Vendor shall on or before the Effective date transfer all its Demo Cars which are registered in the name of Vendor to Purchaser and shall sign and execute necessary documents for transfer of registration in favour of Purchaser.
- (i) The Vendor has obtained consents from the respective landlords of the properties detailed under Schedule-I and undertakes to get fresh lease agreements executed with landlords for handing over occupation of the Scheduled Premises to the Purchaser for the smooth conduct of Business transferred under this deed.
- (j) The Vendor has obtained written consent from all employees, in the prescribed format, for transfer of their employment to the rolls of Purchaser. In case any of the employees are unwilling for such transfer of employment, the Vendor agrees to settle their dues including all statutory dues promptly and any liability arising from such employees shall be sole responsibility of the Vendor.
- (k) the Vendor agrees to pay all applicable taxes or duties including income tax, wealth tax, sales tax, value added tax, service tax, excise duty or customs duty which has become liable to pay/ or may become liable in respect of the Business carried on at the Scheduled Premises till the Effective date;
- (l) the Vendor has not entered into any other legally binding or enforceable agreement for the sale of the Business or its Business Undertaking or any part or portion thereof nor has the Vendor agreed, to give the Business or any part thereof, or its Business Undertaking, on hire, lease, license or on conducting basis or on any other basis whatsoever to any third person or party;

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- (m) the Business and its Business Undertaking details furnished by the Vendor under this Agreement is a complete and accurate record of all the properties, movables, equipments, machineries and other assets owned, possessed or set up by the Vendor in the Scheduled Premises;
- (n) the Vendor hereby agrees to hand over all booking advances received in its name in respect of the vehicles transferred to the Purchaser supported by detailed list of customers.
- (o) the Vendor has made full and complete disclosure of all material facts relating to or in respect of the Business and its Business Undertakings and no facts of a material nature has been suppressed or stands undisclosed to the Purchaser;
- (p) the vendor hereby declares that there are no pending litigations/ court cases, demands or show-cause notices from any statutory or government authorities in respect of or in relation to the Business.
- (q) The Vendor further covenants that in event of any liability or claims arising against the Business or its Business Undertaking sold and transferred to the Purchaser under this agreement, the Vendor undertakes to indemnify the Purchaser and make good all such claims/ liabilities for which the Purchaser may become liable.

III. Mutual Covenants:

11. The Parties mutually agree and covenant that:

- (a) A variation, modification or amendment of this Agreement is valid only if it is in writing and signed by or on behalf of each Party hereto.
- (b) The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy. Any waiver shall be made only by a written instrument.
- (c) If any provisions of this Agreement are invalid or unenforceable or prohibited by law, this Agreement shall be considered divisible as to such provisions and such provisions shall be inoperative and shall not be part of the consideration moving from either Party hereto to the other and the remainder of this Agreement shall be valid, binding and of like effect as though such provisions were not included herein.
- (d) The parties mutually agree that in case of any dispute arising out of the transaction under this agreement, the courts at Kochi, Ernakulam alone shall have the exclusive jurisdiction to decide such disputes.
- (e) All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered post or courier as follows:-
 - i. If to the Vendor : To the Managing Director at its Registered Office address or at his residential address disclosed in this agreement.
 - ii. If to the Purchaser : To the Managing Director at its Registered Office address.

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(f) This Agreement is executed in two (2) counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

(g) Each Party hereto shall execute and deliver to the other Party, all such further instruments, deeds, assurances and other documents and shall do and perform or cause to be done or performed such further reasonable acts and deeds in connection with the carrying out of the purpose of this Agreement.


12. Schedules forming part of this MOU:


a	Schedule I	Particulars of various showrooms and service centres forming part of the Business.
b	Schedule II	Details of Business Undertakings transferred under this Slump Sale.
c	Schedule-III	Obligation of Vendor to be completed within the Transition Period.

IN WITNESS WHEREOF, the Parties hereto have set and subscribed their respective hands on the day and year first hereinabove written.

Signed on Behalf of
VENDOR

For Malayalam Automobiles Private Ltd.


By Director
Mr. S. Ravindranathan



Signed on Behalf of
PURCHASER

For Vision Motors Private Ltd.


By Managing Director
Mr. Naveen Philip




Witnesses:


1. Mr. George Varghese S/o K.G. Varghese
Residing at 27/3449, Perumanoor P.O.
Canal Cross road, Kochi-682015.
2. Mr. Ashok Kumar K. S/o M.V. Kandakkoran
Business Head, M/s. Vision Motors Pvt. Ltd.,
Residing at 512, JKS, Puthenpura road,
Elamakara, Kochi-682026.



Signed on Behalf of
VENDOR

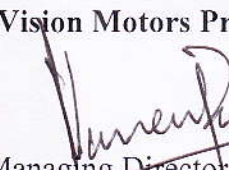
For Malayalam Automobiles Private Ltd.



By Director
Mr. S. Ravindranathan



Signed on Behalf of
PURCHASER

For Vision Motors Private Ltd.


By Managing Director
Mr. Naveen Philip



SCHEDULE- I

Particulars of various showrooms and Service centers forming part of the Business

Sl. No.	Type of Facility/ Location.	Lease/ License	Name of Landlord/ Lease Premises
1	3S- Showroom and Service Station (Padivattom)	Lease Agreement dated 1-6-2016 for 11 months	Siju Jacob/ Bldg. no. 34/574D, D1 and about 1 Acre land facing NH 47.
2	Parking/ Stock yard- (Madavana, Panangad)	Lease Deed dated 10-3-2014. For 11 months period and renewal every 11 months upto 10 years.	T N Anandan/ 71.461 cents of land
3	Addl. Parking/ Stock yard- (Madavana, Panangad)	Lease Deed dated 10-3-2014 for 1 year period and renewal every 1 year upto 10 years.	T N Anandan & T N. Vasan/ 35 cents of land
4	3S- Showroom and Service centre (Muvatupuzha)	Reg. Lease Deed dated 20-5-2015 for 10 years period from 3-6-15.	MV Skaria, Jaggi Skaria & Resmi Skaria/ Bldg. No. IX/ 46A and 115 cents of land (total in both deeds)
5	Parking/ Stock yard (Muvatupuzha)	Lease Deed (Mal) dated 20-5-2015 for 11 months period and renewal every 11 months upto 10 years.	
6	Festive Outlet (Angamaly)	Rent agreement (Mal) dated 1-11-14 for 3 years period.	James MV / Bldg. No. IX/ 212 (C,D) in 4.09 Ares of land.
7	1S Showroom, Thevara	Lease Deed (Mal) dated 11-9-2015 for 10 years period.	Sony George & Rony George/ Bldg. No. 27/ 3338 in 3.72 Ares land facing MG road.
8	Staff accommodation, Padivattom	Lease Deed dated 19-3-2014 (for 16 no. staff). For 1 yr/ renewal every 1 year with 5% rent hike.	K.J. Unni & Pratheesh/ Bldg. No. CC 32/ 1619 B in 1.38 Ares land at Palarivattom.

M. S. S. S.



Manoj P. S.



SCHEDULE- II

Details of Business Undertaking transferred under Slump Sale.

Sl. No.	Particulars	Amount (INR in Crs.)
1.	Various movable assets including tools, Equipments, machineries, Computers, Office equipments, Furniture, Vehicles including Demo vehicles and other movable assets as on date.	12.82
2.	Stock of vehicles, accessories, spare parts, lubricants and other consumables as on date.	
3.	Lease deposits in respect of properties listed in Schedule- I above as on date.	
4.	Less: Payment outstanding to Honda Cars India Limited	

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SCHEDULE- III

Obligation of Vendor to be completed within the Transition Period.

1. Clear all charges, liens and/ or other encumbrances, whatsoever, over the Business or Business Undertaking mentioned under item no. 1 and 2 in Schedule II above within 30 days from the Execution Date;
2. Release of all charges with ROC and provide copy of CHG4 evidencing release of charges with ROC within 30 days from the Execution Date;
3. Settlement of all liabilities arising or related to the Business till the Effective Date within 15 days from the Execution Date.
4. Obtain NOC from assessing officer u/s 281(1) of Income Tax act for transfer of Business to Purchaser, absolving the Purchaser against any future liabilities, within 30 days from the Execution date.
5. Hand over all employee master records including the CV, appointment order, nominations filed by the employees in respect of various statutory dues and all other communications with the employee in original.
6. Salary records of all employees, transferred along with the Business, for the past 3 years or from the date of joining whichever is later.
7. Transfer the Provident Fund, ESI and Gratuity of the employees, taken over by Purchaser, to the account of Purchaser or to the relevant accounts of the employees with statutory authorities, within 30 days from the Execution Date.

SIGNED, SEALED AND DELIVERED by
M/s Malayalam Automobiles Pvt. Ltd [the Vendor]
represented by its **Director,**
Mr. S. Ravindranathan

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SIGNED, SEALED AND DELIVERED by
M/s. Vision Motors Pvt. Ltd. [the Purchaser]
represented by Managing Director, Mr. Naveen Philip

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