

Assignment of Partnership Firm's Business to the Private Limited Company

(incorporated with a view to taking over firm's business)

THIS DEED OF ASSIGNMENT made at _____ this ____ day of _____ 200__ between M/s. ABC, a Partnership Firm registered under the Partnership Act, 1932 having its Registered Office at _____, represented by its partners (i) _____ (ii) _____ and (iii) _____, hereinafter called '**The Assignor**' (which expression shall unless repugnant to the context or meaning thereof be deemed to include the said firm, the partners for the time being of the firm, the survivors or survivor of them and the heirs, executors and administrators of last surviving partner and their/his/her assigns) of the One Part; and M/s. XYZ PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956, having its Registered Office at _____, hereinafter called '**The Assignee**' (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and Assigns) of the Other Part.

W H E R E A S:

- (a) The Assignor is carrying on its business of manufacture and sale of pharmaceuticals and chemicals in the name and style of "**ABC PHARMA AND CHEMICALS**" and has its factory premises at Village _____, Taluka _____, Dist. _____.
- (b) The Assignor is seized and possessed of or otherwise well and sufficiently entitled to the immovable property at Village _____, Taluka _____, District _____ and more particularly described in the **SCHEDULE** hereunder written (hereinafter referred to as "**the said property**") and on which property the Assignor has constructed its factory premises.
- (c) The Assignor is also possessed of plant, machinery, equipment and tools etc. (hereinafter collectively referred to as "**the said plant and machinery**") in its said factory and are running the said factory and the business with all necessary licences.
- (d) The Assignee is incorporated with a view to taking over the business of the Assignor's partnership firm **with its main object as "to take over running business of partnership firm of M/s. ABC"**. The partners of the Assignor's partnership firm are also the Directors and shareholders in the Assignee Company.
- (e) The Assignor has agreed to sell and assign and the Assignee has agreed to purchase from the Assignor, as a going concern, the said business of the Assignor along with its immovable properties and movable assets including the firm name alongwith its goodwill as incidental to the assignment of the said business together with benefits of all licences pertaining thereto for the consideration and upon the terms recorded herein;
- (f) By its Board Resolution dated _____, the Assignee has resolved to enter into and execute this Deed.
- (g) The parties are desirous of recording the terms and conditions agreed between them as appearing hereinafter.

NOW THIS DEED OF ASSIGNMENT WITNESSETH and it is hereby mutually agreed

by and between the parties hereto as follows:

1. The Assignor hereby assigns, sells, transfers and conveys absolutely and the Assignee hereby acquires free from all encumbrances and reasonable doubts, all and singular the Assignor's said business of "**ABC PHARMA AND CHEMICALS**" as a going concern with effect from _____ (hereinafter referred to as '**the Effective Date**') along with its business, goodwill, name, trade name, rights and assets listed below (hereinafter referred to as "**the said business**"):
 - (a) the freehold land admeasuring approximately _____ together with the constructed building/s thereon admeasuring _____ Sq. Mtrs. and more particularly described in the **SCHEDULE** hereunder written and hereinafter referred to as '**the said immovable property**' together with water drawing rights, electric power connections including cable connections from _____ State Electricity Board Sub-Station to the said immovable property and the factory premises and all other rights directly and/or indirectly attached and available to the said immovable property;
 - (b) all fixed and loose plant and machinery and tools and all furniture (fixed or loose), fixtures, fittings, laboratory instruments/equipment, spare parts, dyes, and all connected accessories thereof.
 - (c) all current Assets of the said business;
 - (d) the Assignor's goodwill of the said business and the right to represent the Assignee as carrying on/continuing in business in succession to the Assignor's said business and to use the name of the said business, as the Assignee's business;
 - (e) the full benefits of all patents, trade marks, designs, discoveries, inventions, secret processes, licences, approvals etc. thereof;
 - (f) all policies of insurance in respect of assets and the said business; and
 - (g) the net current assets namely existing stocks, raw materials, finished and unfinished products, materials in process, stores, packing material etc.
2. On and from the effective date, all the aforesaid assets of the said business of the Assignor shall stand vested absolutely in the Assignee as full owners thereof and as from the said effective date, the operations of the said business shall and are to the account of the Assignee as owners thereof. The Assignor is executing the present Deed of Assignment in favour of the Assignee for effectively vesting the said assets in it as owners thereof, the Assignee having the full benefits thereof pursuant to Assignment hereunder.
3. (a) The total consideration for the sale of the said business together with all its assets as aforesaid by the Assignor to the Assignee is fixed at Rs. _____ (Rupees _____ only) and the payment of the said consideration shall be satisfied by allotment and issuance of the fully paid up equity shares in capital of the Assignee's Company to the Assignor and/or its partners equivalent to the aforesaid consideration namely:-

Sr. No.	Names	Equity shares	Value of each share (Rs)	Total value of shares
----------------	--------------	----------------------	---------------------------------	------------------------------

(i)

(ii)

(iii)

Total

(b) It is hereby recorded that the aforesaid shares are allotted and issued by the Assignee in the capital of the Assignee as fully paid up shares.

(c) The aforesaid consideration is bifurcated as under :—

(i) Rs. _____/- (Rupees _____ only) towards the price of the said immovable property;

(ii) Rs. _____/- (Rupees _____ only) towards the price of business and goodwill; and

(iii) Rs. _____/- (Rupees _____ only) towards the price of movables and other items.

4. The parties covenant that:—

(a) It shall be the sole obligation of the Assignor to pay and discharge all the outstanding debts and liabilities of the said business payable as on the effective date.

(b) On and after the effective date, it shall be the sole obligation of the Assignee to meet all the debts and liabilities of the said business.

(c) If required, the liabilities which cannot be separated as on the effective date relating to the said business, shall be apportioned between the parties.

5. The Assignee is taking over the services pertaining to the business of the Assignor of all the existing employees and workmen as from the effective date on their current remuneration and the terms and conditions governing their services and as from the effective date by operation of law as also by virtue of this Deed all such employees of the said business shall be deemed to be the employees of the Assignee. However, all the liabilities of the said employees including provident fund, gratuity, pension, leave allowance, etc. till the effective date shall be on account of the Assignor.

6. The Assignee is entitled to get all the business licences/statutory approvals of the said business transferred in its own name.

7. In consideration aforesaid, the Assignor doth hereby grant, convey, transfer and assure unto the Assignee **ALL THAT** piece or parcel of land together with structures standing thereon and more particularly described in the SCHEDULE hereunder written (hereinafter referred to as "**the said property**") **TOGETHER WITH** all and singular the houses, outhouses, edifices, buildings, court yards, areas, compounds, sewers, drains, ditches, fences, trees, plants, shrubs, ways, paths, passages, commons gullies, wells, waters, water-courses, lights, liberties, privileges, easements, profits, advantages, rights, members and appurtenances whatsoever to the said property or any part thereof belonging or in any wise appertaining to or with the same or any part thereof now or at or any time hereto for usually held, used, occupied or enjoyed or reputed or known as part or member thereof and to belong or be appurtenant thereto **AND ALL THE ESTATE** right,

title, interest, claim and demand whatsoever at law and in equity of the Assignor in to, out of or upon the said property or any part thereof **TO HAVE AND TO HOLD** all and singular the said property hereby granted, conveyed, transferred and assured or intended or expressed so to be with their and every of their rights, members and appurtenances (all which are hereinafter called "**the said premises**") **UNTO AND TO THE USE** and benefit of the Assignee for ever **AND THAT** it shall be lawful for the Assignee from time to time and at all times hereafter peaceably and quietly to hold under upon occupy, possess and enjoy the said premises hereby granted, conveyed, transferred and assured with their appurtenances and receive the rents, issues and profits thereof and of every part thereof to and for its own use and benefit without any suit, lawful eviction, interruption, claim and demand whatsoever from or by the Assignor or its successors and Assigns or any of them from or by any person lawfully or equitably claiming or to claim by from under or in trust for them or any of them **AND THAT** free and clear and freely and clearly and absolutely acquired, exonerated, released and for ever discharged or otherwise by the Assignor well and sufficiently saved, defended, kept harmless and indemnified of from and against all former and other estates, title, charges and encumbrances whatsoever either already or hereafter had made, executed, occasioned or suffered by the Assignor or by any other person or persons lawfully or equitably claiming or to claim by from under or in trust for them **AND FURTHER** that the Assignor shall and will from time to time and at all times hereafter at the request and cost of the Assignee do and execute or cause to be done and executed all such further and other lawful and reasonable acts, deeds, matters, things, conveyances and assurances in law whatsoever for the better further and more perfectly and absolutely granting unto and to the use of the Assignee in manner aforesaid as shall or may be reasonably required by the Assignee its successors or assigns or its or their counsel in law for assuring the said premises and every part thereof hereby granted, conveyed, transferred, and assured unto and to the use of the Assignee in manner aforesaid.

8. Pursuant to the aforesaid, the Assignor doth hereby agree to indemnify and keep indemnified the Assignee and its successors against all loss, charges, costs and expenses it may incur or suffer on account of Assignor's liability of the said business prior to the effective date.
9. The Assignor declares and has represented to the Assignee that:-
 - (a) the Assignor is the sole and absolute owner of the said business as also of the immovable and movable properties thereof referred to above and has absolute and sole right to hold, use, occupy and possess the same.
 - (b) the said property, the said business and all its assets are free from all claims and encumbrances and reasonable doubts of any nature whatsoever and the same are not attached either before or after judgment or at the instance of any taxation authority or any other authorities and the Assignor has not given any undertakings to the taxation authorities or any authorities so as not to deal with or dispose of the right, title and interest in the said property/business.
 - (c) the Assignor has not entered into any arrangement, agreement or commitment in respect of the said property/business nor created any third party rights in respect of the same or any part thereof.
 - (d) For effectively transferring the said business and its' assets in terms of this Deed of Assignment, the Assignor shall at all material times, as may be reasonably required by the Assignee, execute all necessary writings, deeds,

declarations etc. at the cost of the Assignee.

10. All the cost of transfer including Stamp Duty, Registration Charges, and all other applicable taxes, levies etc. shall be borne and paid by the Assignee alone.
11. The parties hereto shall comply with all the provisions of the Company Law and other applicable laws to the transaction.
12. In the event of any dispute arising between the parties hereto and which cannot be mutually resolved within a reasonable time; the same shall be referred to the Arbitration under the provisions of The Arbitration and Conciliation Ordinance, 1996 or any other prevailing Arbitration law. The Arbitration shall be held in the city of _____.
13. The Courts at _____ alone shall have jurisdiction to try and entertain all disputes between the parties hereto.

THE SCHEDULE ABOVE REFERRED TO

(Give detailed description of the properties including structures)

IN WITNESS WHEREOF the parties hereto have executed these presents and a duplicate thereof the day and year first hereinabove written.

SIGNED AND DELIVERED by)
M/s. ABC, a registered partnership)
Firm through its partners)
(i) _____)
(ii) _____)
and (iii) _____)
in the presence of)
1.)
2.)

THE COMMON SEAL of the)
Within named Assignee)
M/s. X Y Z PRIVATE LIMITED)
was hereunto affixed pursuant to the)
Resolution of their Board of)
Directors passed in that behalf,)
on the _____ day of _____ 200__)
in the presence of (1) _____,)
Managing Director and (2) _____)
Director and in the presence of _____)

Witness:

1.

2.