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Business Transfer Agreement

This Agreement is made as of this 14th day of December, 2007;

BETWEEN

Pramod Plastic Industries Private Limited a company incorporated under the Companies Act. 1956 and having Registered office and factory at B-24, Mayapuri Industrial Area Phase-I, New Delhi -110064 represented by Mrs Sunder Devi Jain, Director as duly authorised by the said company, hereinafter referred to as "PPI", which expression, unless repugnant to the context, shall include its successors and permitted assigns.

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AND

Neolite Industries Private Ltd., a company incorporated under the Companies Act, 1956 and having its registered office at B-24, Mayapuri Industrial Area Phase-1. New Delhi-110064, represented by its Director, Mr Rajesh Jain, hereinafter referred to as the "NIPL", which expression, unless repugnant to the context, shall include its successors and permitted assigns.

NIPL and PPI are referred to herein individually as 'Party' and collectively as 'Parties'.

WHEREAS

- A. PPI is a leading manufacturing concern primarily engaged in the business of job work of automotive lighting and components.
- B. NIPL is also a leading manufacturing company primarily engaged in the business of automotive lighting and homelighting.
- C. NIPL proposes to expand its business of automotive lighting and proposes to buy the whole of Business (as defined hereinafter) of PPI, and PPI for strategic considerations has decided to sell the whole of the Business as a going concern on alump sale basis.
- D. The Parties have confirmed that they have passed necessary resolutions to sell / purchase the Business.

NOW THEREFORE THIS AGREEMENT WITNESSETH AND THE PARTIES
AGREE TO AS UNDER:

For Promed Plastic Industries (1) Ltd.

Director .

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ARTICLE 1: DEFINITIONS

- 1.1 In this Agreement (including the Recitals), unless the context requires otherwise, the following words and expressions shall have the meaning set out against them respectively
 - (a) "Business" means PPI business of automotive lighting comprising of assets (other than immovable properties), liabilities, contracts, equipment, employees and Trade Marks/brands held and used by PPI only in class 11 in India as set out in Schedule 1 of this Agreement. (Other Trade Mark /Brand rights held by PPI will not be transferred to NIPL)
 - (b) "Closing" means the date on which all the activities listed in Article 6.2 are completed which is not later than the date of execution of this Agreement.
 - (c) "Tax" means (i) any tax, governmental fee or other like assessment or charge of any kind whatsoever including interalla income tax, wealth tax, stamp duty, import duties, Vat, service tax etc., together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Entity (domestic or foreign) responsible for the imposition of any such tax and (ii) any liability for the payment of any amount of the type described in the immediately preceding clause.

ARTICLE 2: SALE AND PURCHASE OF BUSINESS

2.1 Subject to the terms and conditions contained herein, PPI hereby agrees to sell, assign, convey, deliver and/ or transfer to NIPL and

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NIPL hereby agrees to purchase the Business as a going concern on slump sale basis free from all liens, charges, equities and encumbrances with effect from the Closing except charges created by banks on assets of the PPI against loan taken by it. It is also clearly agreed and understood by the parties to this agreement that land and building in the name of the firm in which the directors have substantial interest & which has been mortgaged against the above loan shall be released and substituted by some other security of NIPL with in 6(six) months

- At Closing, PPI as the beneficial owner shall assign, transfer, deliver and convey to NIPL all its rights, title and interest in the Business (other than rights in Land & Building). Any document/ agreement/ deed/assignment as may be required by the NIPL to assure itself of full and complete title as contemplated herein shall be executed by PPI immediately on demand by NIPL. Further at Closing, upon transfer of the Business:
 - a) all agreements, deeds, permits and other instruments of whatever nature whether previously disclosed to NIPL or not;
 - b) all authorizations, telephone connections and all other claims, rights, liberties, easements advantages, benefits, approvals and privileges of any kind whatsoever whether previously disclosed to NIPL or not;
 - c) all insurance policies in respect of or relating to the Business.
 - d) All employees as per list provided in Schedule 2

shall stand transferred to and vest in NIPL, subject to such statutory and regulatory approvals, third party consent and/or compliances as

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may be applicable. All such approvals, third party consents and compliances required for this purpose shall be obtained/ undertaken by PPI.

It is agreed by the Parties that the relevant contracts for engagement of contract labour (i.e. workers) by PPI through contractors for automotive lighting business will not be automatically transferred to NiPL pursuant to this Agreement. If agreed by NiPL, fresh contracts will be signed for engagement of such contract labour and for that purpose, NIPL will obtain fresh registration and the concerned contractors will obtain fresh licences from the appropriate labour authorities.

- The Parties agree that the said employees of PPI shall be transferred to NIPL, on same terms and conditions as applicable to them in PPI and the seniority and continuation of services shall be maintained.
- 2.3 All or any sums realized or collected by PPI subsequent to Closing in respect of any of the assets or claims relating to the Business transferred shall be held in trust for the NIPL and shall be remitted to NIPL as soon as possible. All or any payments to be made by PPI in the ordinary course of carrying of business comprised in the Business subsequent to Closing relating to the Business, shall be paid by NIPL.
- 2.4 It has been also agreed and understood between the parties to relocate the Business to a new location as per the business plan of NIPL and to use the existing land and building of PPI till such time on terms and conditions as per a separate lease agreement to be entered into between PPI and NIPL

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ARTICLE 3: SOLE AND ENTIRE CONSIDERATION

The consideration for transfer of business of PPI to NIPL has been settled at Rs 8 Million between the parties. As sole and entire consideration for the transfer of the Business, NIPL shall allot 90000 Equity shares of Rs. 100/- each at face value to the PPI. The Parties agree that the consideration is adequate and shall be final between the Parties for performance of this Agreement, deductions wherefrom shall be made only as expressly agreed in this Agreement.

The Parties agree that the Consideration paid under this Agreement is towards full and final settlement for transfer of Business. PPI shall not be responsible for any employee dues or liabilities in relation to Business which may arise with NIPL in due course subsequent to Closing.

ARTICLE 4: REPRESENTATIONS AND WARRANTIES OF PPI

PPI hereby represents and warrants to NIPL true, accurate, and complete in all material respects as of the date hereof the following:

4.1 No Conflict

(a) The execution, delivery and performance by PPI of this Agreement and the consummation of the transactions contemplated hereby require certain fillings with a legislative or executive or regulatory authority or agency of India (or any other state or other political subdivision thereof) ("Governmental Entity"). The Parties agree that any such fillings shall be made in due course of time.

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(b) The execution, delivery and performance by PPI of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) violate the certificate of incorporation, bylaws or other constituent documents of PPI, (ii) violate any statute, regulation, rule, injunction, judgment, order, decree or ruling of any Governmental Entity to which PPI is subject or (iii) conflict with, result in a breach of, constitute a default under, or give rise to a loss or any benefit to which NIPL is entitled under any provision of any agreement, contract, lease, license or instrument.

4.2 No Undisclosed Liabilities; No Litigation

- (a) There are no liabilities (whether absolute or contingent or liquidated or unliquidated) of the Business, except for liabilities under executory agreements, contracts, leases, licenses and other arrangements set forth in Schedule 3 The Parties agree that any liabilities or obligations solely pertaining to the carrying on of Business in the ordinary course, if any, relating to the period upto the date of Closing shall be borne by NIPL.
- (b) There is no action, suit or proceeding pending against, or to the knowledge of PPI, threatened against, PPI or in relation to the Business before any court or arbitrator or any other Governmental Entity except as specified in Schedule 3. To the knowledge of PPI, neither PPI, nor, any director, officer or employee of PPI, is subject to any order, writ, judgment, injunction, decree, stipulation, determination or award entered by any Governmental Entity with respect to PPI which may prevent or prohibit the transactions contemplated hereby or that would otherwise have a material adverse effect.

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4.3 Taxes

PPI has filed all tax returns required to be filed through the date hereof till Closing; that all such tax returns are true, correct and complete; and PPI has paid all taxes (as defined below) shown to be due and owing by them on such tax returns. Further:

- (a) No deficiencies or shortfall for any tax have been proposed, asserted or assessed in writing by any taxing authority against PPI;
- (b) there are no liens or encumbrances for taxes on any asset of PPI.

Except as specified in Schedule 4.

(c) PPI and or its Directors shall be jointly and severally liable to pay at all times all liabilities on account of income tax, wealth tax including those arising in respect of Transfer of Business under this Agreement.

PPI and or its Directors shall also be liable jointly and severally to pay liabilities not provided in the books of PPI on account of demands raised by Government Authorities after the Closing Date, in respect of all other taxes, levies of any kind, relating to the Business carried on till the date of Closing.

4.4 Contracts

Schedule 5 sets forth a list of all the contracts to which the PPI is a party. PPI has made available to NIPL a true and complete copy of

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each such agreement. Neither PPI nor the other parties thereto are in breach or default under the terms of such agreement, and no event has occurred which with notice or lapse of time would constitute a breach or default, or permit termination or modification under any such agreement.

PPI shall disclose to NIPL in advance of Closing all agreements, deeds, permits and other instruments of whatever nature and all authorizations, telephone connections and all other claims, rights, liberties, easements advantages, benefits, approvals and privileges of any kind whatsoever which relate to Business to be transferred.

The Parties shall agree, as per the terms of the Contracts which can be assigned. The Contracts which cannot be assigned shall be terminated by PPI without any cost or liability to NIPL and if required frash contracts be entered upon.

4.5 Compliance with Law; Permits

PPI is in full compliance with all statutes, ordinances, regulations, and other governmental requirements or judicial decree applicable to the conduct of the Business. PPI is a company duly organized, validly existing, and in good standing under the laws of India and has power and authority to operate and carry on the Business as now conducted, and have received all permits from and approvale of governmental authorities and banks required in connection with the operation thereof and have been operated and maintained in accordance with applicable laws, rules, and regulations in all material respects as also for the transfer of the Business. The execution and performance of this

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Agreement have been authorized and approved by the Directors of PPI.

ARTICLE 5: REPRESENTATIONS AND WARRANTIES OF NIPL

- (a) NIPL is a company duly organized, validly existing, and in good standing under the laws of India and has power and authority to operate and carry on the Business as now conducted.
- (b) The execution, delivery and performance by NIPL of this Agreement and the consummation of the transactions contemplated hereby require certain filling with Governmental Entity which shall be filed in due course.
- (c) The execution, delivery and performance by NIPL of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) violate the certificate of incorporation, bylaws or other constituent documents of NIPL, (ii) violate any statute, regulation, rule, injunction, judgment, order, decree or ruling of any Governmental Entity to which NIPL is subject or (iii) conflict with, result in a breach of, constitute a default under, or give rise to a loss or any benefit to which PPI is entitled under any provision of any agreement, contract, lease, license or instrument.

ARTICLE 6: CLOSING

6.1 The Parties shall do or cause to be done, all of the activities enumerated in Articles 6.2 hereof. Each of the activities shall be given effect to simultaneously and the Closing shall be deemed to have

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occurred when each of the activities has been completed which shall not be later than the date of execution of the Agreement.

in case Closing does not happen prior to or on the date of execution of this Agreement on account of any action or non action of PPI, NIPL shall be entitled to extension of date of Closing or termination otherwise (the same is also covered in Article 9.10)

- 6.2 PPI shall deliver to NiPL the following documents:
 - the Parties agree that PPI shall deliver to or if applicable leave all records used in connection with the conduct of the Business including but not limited to, all employee and supplier records, files, accounts, contracts, agreements, arrangements, software and computer programmes used in connection with the earrying of the business comprised in the Business, drawings, product and design specifications, process information, performance data and all other data and information relating to the Business and such other customer records and sales data as are maintained by PPI in relation to the Business Including the details of assets, liabilities, contracts etc. The Parties agree that such of the assets ate as are capable of being transferred by delivery shall be given by PPI to NIPL against written receipt.
 - (b) such approvals, consents and certificates as are necessary to convey clear title to the Business in accordance with this Agreement or are necessary under applicable law to consummate the transfer of the Business in favour of NIPL. The approvals, consents and certificates as above shall include interalia consent from the respective contracting parties listed in Schedule 6 for assignment of their respective agreements, in favour of NIPL.

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ARTICLE 7: NON-COMPETITION

- 7.1 During the subsistence of the Joint Venture Agreement to be executed between Mr. Rajesh Jain, NIPL and Zizala Lichtsysteme GmbH, Austria (ZKW).
 - 7.1.1 PPI shall not deal in automotive lighting business of NIPL and/or that of ZKW, in any manner whatsoever;
 - 7 1.2 If Mr. Rajesh Jain withdraws (i.e. transfers the entire shareholding in NIPL) from NIPL. PPI shall not directly or indirectly deal in automotive lighting business for a period of two years thereafter:
- 7.2 However, PPI will be free at all times to carry on the business of homelighting and any other business, not related to automotive lighting and not forming part of NIPL's business.

ARTICLE 6: COSTS

All statutory costs, charges and other levies of any nature (including stamp duty), and sales tax/VAT if applicable in respect of or in relation to the sale of the Business shall be the responsibility of NIPL. Each party shall bear its own liabilities with regard to income-tax or capital gains tax if applicable.

ARTICLE 9: GENERAL

9.1 Notices

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Notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid first class post with recorded delivery, or by telex, or legible telefax addressed to the intended recipient at its address set out below:

Pramod Plastic Industries Private Limited

ATTN: Sunder Devi Jain

Address: B-24, Mayapuri Industrial Area Phase-1, New Delhi-110064

Neolite Industries Private Limited

ATTN: Ralesh Jain

Address: B-24, Mayapuri Industrial Area Phase-1, New Dolhi 110064

Notice shall be deemed to have been served when received (and in the case of faceimile transmission, provided that a confirming copy is sent to the other Party in accordance with the non-faceimile notice delivery requirements)

9.2 Assignment

PPI shall not assign its rights and obligations under this Agreement in whole or in part hereunder without the prior written consent of NIPL. NIPL however, shall have the right to assign the benefits of this agreement in whole or in part to any party whereupon PPI shall be bound to such party as if the said party had executed this Agreement with PPI in the first place. In the event so required by NIPL, PPI shall issue such comfort letters or other document to the said party for assuring it of the above.

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9.3 Variation

Any variation of this Agreement shall be mutually agreed in writing and executed by or on behalf of each of NIPL and PPI.

9.4 No Walver

No waiver by any Party of any default with respect to any provision, condition or requirement hereof shall be deemed to be a waiver of any other provision, condition or requirement hereof. No delay or omission of any Party to exercise any right hereunder on one occasion in any manner shall impair the exercise of any such right on any other occasion.

9.5 No Directorship

Nothing in this Agreement shall constitute a Directorship between the Parties hereto under applicable Indian laws.

9.6 Pledging Credit

Nothing in this Agreement shall give either Party the right to pledge the credit of or incur liabilities or obligations binding on the other Party.

9.7 Entire Agreement

This Agreement along with the Exhibit and Annexures and Schedules (if any), which form an Integral part of the Agreement, hereto represents the entire Agreement as to the subject matter hereof, and supersedes any prior understandings between the Parties on the subject matter hereof.

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9.8 Force Majeure

Neither Party shall be liable by reason of failure or delay in the performance of its obligations under this Agreement if such failure or delay is caused by acts of God, strikes, lockouts, war or any other cause beyond its control and without its fault or negligence.

9.9 Confidentiality

The Parties recognise that by virtue of this Agreement each of them will be given and have access to specialised know how, information, data and confidential and proprietary information of the other Party. Each Party undertakes not to divulge or communicate to any person (unless required by law or by any other regulation or by any Government authorities with proper authority) or exploit for any purpose whateoever except as agreed under this Agreement, any of the trade secrets or confidential knowledge or information of the other Party and each Party shall use all reasonable endeavours to prevent its officers, employees or agents from doing so. This obligation and restriction on the Parties shall continue to apply without limit in point of time but shall to cease to apply to information or knowledge which may properly come into the public domain through no fault of the relevant Party, or was already known to such Party prior to disclosure by the other Party.

9.10 Termination

This agreement shall stand terminated in case CLOSING does not occur by 31.03.2006. The Parties may, however, extend the afore-said period as mutually agreed.

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9.11 Invalid Provisions not to Invalidate Whole Agreement

In the event of any one or more of the provisions contained in this Agreement being waived, modified or altered, none of the other provisions hereof shall in any way be affected or impaired thereby. If any of the provisions of this Agreement become invalid, illegal or unenforceable in any respects under any applicable law, the validity, legality and enforceability of the remaining provisions shall not in any way be effected or impaired. Where the provisions of such applicable law may be waived they are hereby waived by the Parties to the full extent permitted so that this Agreement shall be deemed to be valid and binding and enforceable in accordance with its terms. If any provision of this Agreement becomes invalid, the Parties agree to substitute such invalid provision with a new provision which legally serves the purpose of the invalid provision to the furthest possible extent.

9.12 Counterparts

This agreement is being executed in two counterparts, one of which shall be duly stamped and both of which shall be deemed to be original and authentic.

10.0 No Third Parties

Neither this Agreement nor any provisions set forth herein is intended to, or shall, create any rights in or confer any benefits upon any person other than the Parties to this Agreement.

For Pramod Plastic Industries (P) Ltd.

Director

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ARTICLE 10: GOVERNING LAW

- 10.1 This Agreement shall be governed and construed in accordance with and shall be governed by the laws applicable in India.
- 10.2 Any disputes or differences arising between the Parties hereto as to their the effect, interpretation or application of this Agreement or as to their rights, duties or liabilities thereunder, or as to any act, matter or thing arising out of, or consequent to, or in connection with this Agreement shall be referred to arbitration by a sole arbitrator, who shall be appointed by mutual consent. The seat of arbitration shall be conducted and governed by the Arbitration and Conciliation Act, 1996 by a panel of three Arbitrators, each Party appointing one Arbitrators and the third Arbitrator to be appointed by the said two Arbitrators.

IN WITNESS WHEREOF these presents together with the Schedules annexed and signed have been executed by the Parties at the date and place first mentioned:

E. Drawing Signife Industrias (** C	or Pramod	etries Private Limited	
Signature:		ed Plactic Industrias (7) Ltd	3.

Name: 21535050

Director

Designation:

For Neolite Industries Private Limited

Signature:

Name:

Designation:

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WITNESSES:

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List of Assets & Liabilities (As detailed in the Financial Statements as on 14/12/2007)

ASSETS

- 1 **Fixed Assets**
- Plant & Machinery a
- Die & Mould b
 - Furniture & Fixtures
- Office Equipment
- Vehicle
- Computer
- **Current Assets Loans & Advances**
- Inventory
- Sundry Debtors b
- Cash & bank balances
- Advances

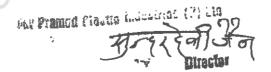
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LIABILITIES

- Secured Loans
 - Unsecured Loans
- Current Liabilities & Provisions
- **Current Liabilities**
- Provisions
- Trade Marks

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	PRAMOD PLASTIC IND PVT LTD	
	List Of Employees	Schedule 2
3r.	NAME	
No.		
1	PK Jain	
2	Rajpal Bendersh	
3	S K Gupta	
4	Balihari	4.
5	Ashok	
6	Ranjeet Singh	10
7	Joginder N	X
8	Rati Ram	0
9	Raj Kumar	10
10	Madan Lai	
11	Mohd Haffiz	
12	Jaglal	
13	Surinder Singh	0)
14	Subash Pd	1
15	Gopal	/
16	Mohan Lai	0
17	Anar Singh	140
18	Mahesh Chand	
19	Jagdish Singh	
20	Ramoshwar	
21	Vinod Upreti	
22	Chander Pal	
23	Satynder	
24	Vijay Paewan	
25	Anii	
26	Prakash Singh	
27	Sambhu Lai	
8	Chandrika Pd	
9	Firoz Ahmed	
30	Umesh Mahto	
34	Amar Singh	
32	Man Singh	
33	Rajinder Nair	
34	Param Hans	
35	Keshar Lal	
36	Ashok Ku Singh	
	Riyaz Ahmed	
37	Ramanand Singh	
36	Ramkishun Yadav	
39	Dilip Kumar	





	PRAMOD PLASTIC IND PVT LTD	
	List Of Employees	Schedule 2
Sr.	NAME	
No.		
41	Judhvir Singh	
42	Ghan Shyam Singh	
43	Radhy Shyam	
44	Milan Ku Swaln	
45	Chaten Saxena	
46	Nirmal Singh	1
47	Nageshwar'	7
48	Mano) Kumar	7
49	Noor Alam	U
50	Rahui Jaglan	(1)
51	Smt.Shashi Sharma	6
52	Ramkishan	1
53	Deendayal	(0.
54	Harinder	- NY
56	Bachchu Lai	-
56	Brijraj Singh)
57	Mahender Sharma	
58	Sanjesh Mishra	
59	Ajay Singh	
60	Anii Mishra	
61	Shrikrishan	
62	Nar Singh	
63	Ramehingar	
64	Girdhari Lal	
65	Krishan Lai	
56	Madhu Sudhan	
67	Jose Michael	
68	Man Preet S Rana	
69	Rajesh Kumar	
70	Brijesh Kumar	
71	M AII	
72	Jitender Mishra	
73	Sanjay Upreti	
74	Anilan KR	
75	Mangal Singh	
76	Harpal Singh	
77	Ranjay Kumar	
78	Davinder Singh	
79	Brijesh Ku Dubey	

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List of Liabilities (As detailed in the Financial Statements as on 14/12/2007) LIABILITIES

1 Secured Loans

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- 2 **Unsecured Loans**
- Current Liabilities & Provisions
 Sundry Creditore
 Statutories Liabilities
 Expenses Payable
 Advances from Customers 3
- b
- C
- d
- Employee Benefits

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List of Lien or encrumbances for taxes on Assets

Assets Given on Lien

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List of Present Contracts

S. No	Contractee Name	Nature of Contract
1	M/s Tata AIG General Insurance Company Ltd	Insurance
2	Labour Contractors	Labour Supply
4	All Suppliers	Material Supply
5	All Employee	Employment
б	All Customers	Security Guard service

List of Approvals Consents and Certificates

S. No	Details	Nature
1	Pollution Control Consent	Statutory Requirment of State Govt.
2	Factory License	Statutory Requirment under Factory Act
3	Provident Fund Registration	Statutory Requirment under PF Act
4	ESI Registeration	Statutory Requirment under ESI Act
5	Electricity Connection	Agreement with HSED
6	Bank Accounts	With Syndicate Bank
7	Excise	Statutory Reguliment
8	Sales Tax/Vat	Statutory Requirments
Ð	Service Tax	Statutory Requirments
10	Lease Agreement	Rent Agreement
11	All Employees	Employment
12	Insurance	Insurance
13	Business Contracts	Business

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