**ON COMPANY’S LETTER HEAD**

BusinessDeals Date:

505, Manisha Building

75-76, Nehru Place,

New Delhi 110019

**Sub:Mandate Letter**

Dear Sir,

This letter confirms our intent to appoint you, **M/s BusinessDeals** as business facilitators for exploring the possibilities of a potential sale of our business as per details discussed on the subject. This Mandate letter contains terms of the proposed transaction and lists details of business activities to be conducted.

1. **The Business.**

* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_having its place of Business at \_\_\_ \_\_\_\_\_ \_\_\_\_\_\_ \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ engaged in the manufacture of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and having its office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
* The Directors /Partners have decided to explore the possibilities of selling the business and have authorized Mr\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ vide their board resolution dated \_\_\_\_\_\_\_\_\_\_(Copy of the same is attached) to deal with all activities in this regard.

**2. Nature of Engagement**

**\_\_\_\_\_\_\_\_\_\_\_\_\_** would like to retain M/s BusinessDeals to explore the possibilities of locating suitable Buyers.BusinessDeals would endeavour to sell the business without any prejudice and we are hereby authorizing BusinessDeals to negotiate with buyers on our behalf as per terms and conditions agreed.

BusinessDeals shall undertake the following roles and tasks:

* Create necessary collateral information for Investors and buyers.
* Shortlist suitable Investors and buyers.
* Set up meetings with Investors/ buyers and facilitate negotiations
* Help the Company through the process of Due Diligence, Term Sheet and Valuation Advisory.

**3. Terms of the transaction**

* **Consideration.** The aggregate valuation of the assets and business to be sold or valuation for the purpose of entering into a sale agreement as per our estimates would be approximately Rs. \_\_\_\_Crs. The figure would be subject to negotiation and the final figures so arrived at between the buyer and seller would be the final price of the transaction.
* **Due Diligence Review.** Following the execution of this letter, we will allow you and any proposed buyer to a examination of our financials, accounting and business records and the contracts and other legal documents and generally to complete due diligence. Any information obtained by you as a result thereof will be maintained by you in confidence.
* **Investor Memorandum.** We would submit within 2 weeks from the signing of this Mandate an Investor Memorandum containing all facts of the business with transparency.
* **Conduct in Ordinary Course.** In addition to the conditions discussed herein and any others to be contained in a definitive written purchase agreement, consummation of the acquisition would be subject to having conducted our business in the ordinary course during the period between the date hereof and the date of closing the deal and there having been no material adverse change in our business, financial condition or prospects.
* **Timing.** You would Endeavour to have the Sale closed within a stipulated time of 12 months from the date of giving you the complete documentation.

**4. Indemnity**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ agrees to indemnify and hold harmless, BusinessDeals (and directors, officers, employees and controlling persons of BusinessDeals) to fullest lawful extent, against any third party claims, damages, losses and liabilities and expenses incurred, arising out of BusinessDeals engagement hereunder and the transactions completed hereby; provided however, that they shall be excluded from such indemnification and such claims, damages, losses, liability or expenses that arise solely out of or based solely upon any negligence or any wilful misconduct on part of BusinessDeals, unless such action or failure to act was undertaken at the specific request or consent of the Company.

**5.Confidentiality**

BusinessDeals shall not, except as required by law or any regulatory authority or with the prior consent of the Company, disclose to any person/s that have no interest in the purchase of the company, any information or documents relating to the Company. All correspondence and papers that the Company provides to BusinessDeals and which is not in public domain shall be their sole property and the Company shall be entitled to advise BusinessDeals to return such correspondence and papers. However BusinessDeals would be permitted to disclose document to potential Buyers

**6. Success Fees**

BusinessDeals are entitled to get a total remuneration of **3.5%**of the deal amount.This amount would be calculated on the total enterprise value of the deal and not on the actual payment made. BusinessDeals would represent the company, no independent brokers or finders other than BusinessDeals would be engaged by us. However, if any proposal comes our way through any Broker/ finder/ buyer,it would be referred to BusinessDeals and no such person would be entitled to any fee by us. The matter would be exclusively between BusinessDeals and such proposers.

**7.Travel Expenses**

Any expenses incurred on travel by Business Deals would be reimbursed by us on actuals. For travel to distances of approx. 300 KMS, BusinessDeals would use Taxi / Self Car and reimbursements would be done to a maximum of Rs. 20 a KM for a round trip for a day travel and this which includes fuel/taxi cost, tolls, food and other out of pocket expenses for the visit. Any expenses on Boarding / Lodging if on an overnight trip would be paid extra. For travel beyond 300KMS flight charges, Taxi charges for local conveyance and all incidental expenses including Boarding / Lodging would be reimbursed on actuals.

**8. Retainer and Marketing Charges**

Business Deals would be initially paid an amount equal to 0.10% of the asking price of the business OR Rs 100000/- whichever is higher as a retainer ship and marketing fees. These charges would be against the following services to be provided by Business Deals;

* Prepare an Investor Memorandum for the Business.
* Advertisements and online promotion on the BusinessDeals website for our business.
* Plant/ Business visit to analyse the business and advising on making it more marketable.
* Drawing up business data sheet giving all facts of the business.
* Conducting a continuous marketing activity with existing database of Buyers/ Investors
* Manage and follow up with interested Buyers / Investors from Newspaper Ads if released by us
* Arrange meetings and plant visits for screened and interested Clients
* Pitching the business in the right perspective
* Assist in getting the right valuation for the business

We are enclosing herewith payment ofRs. \_\_\_\_\_\_\_\_\_ vide\_\_\_\_\_\_\_\_being the amount as above.

**9.Exclusive Negotiating Rights**

In order to induce you to commit the resources and incur the legal, accounting and incidental expenses necessary properly to evaluate the possibility of sale of assets and business described above, and to negotiate the terms of, and consummate, the transaction contemplated hereby, we agree that for a period of 365 days after the date hereof, we, our affiliates and their respective officers, directors, employees and agents shall not independently initiate, solicit, encourage, directly or indirectly, or accept any offer or proposal, regarding the possible sale by any person other than BusinessDeals, without referring it to BusinessDeals as per terms and conditions mentioned above.

**With Kind Regards**

**For\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Director / Partner**

**Received and Accepted**

**For Business Deals**