**JOINT VENTURE AGREEMENT FINANCIAL**

This agreement is made this .................. day of.................. BETWEEN ………………………………………… incorporated under appropriate laws of United Kingdom with its office at 3 West End , London (hereinafter referred to as first party) and … Ltd. a company registered under the Companies Act 1956 and doing business at………………………………………, Coimbatore 641 018 (hereinafter referred to as the Second Party).

Whereas the parties herein have consented for doing trades of manufacturing of and dealing in Telecom Equipments in collaboration with each other.

And whereas the parties have consented that for better marketing organizational and financial of goods the parties herein would create/incorporate a new company to which the parties herein would give all help with technical know-how to make the venture a success.

Now therefore this agreement witnessed and the parties hereby consent as follows:   
  
1. The fresh company will be incorporated in India with the name…. ltd. or any alteration thereof.   
  
2. The Memorandum and Articles of Association of the fresh company would be prepared/filed with Registrar of Companies (state)………………………..……..and be registered subject to the alteration the Registrar of Companies might propose.

3. The fresh company will have an Authorized Share Capital of Rs. 100 millions divided into 1 million equity shares of Rs. 100 each.

4. The first party will subscribe to 49% of the shares in the fresh company and second party will subscribe to the extent of 51% of the shares in fresh company.  
  
5. The shares are issued as fully paid-up.

6. The consideration for issue of 49% of the shares of new company will he primarily in cash and partly by way of supply of plant, machinery, equipments, know-how and technical services to be rendered by first party to the said fresh company.

7. The management of the fresh company would be ruled by the enactments in the Memorandum/Articles of help of new company.

8. First party will render, inter alia, following assistance to the fresh company:   
  
(a) it will make available know-how of manufacturing and sourcing of raw materials, marketing finished products including exporting the same to Global markets;   
  
(b) it will depute technicians for studying working of said company's plant and machinery, production and sales mechanism and train Indian official of the fresh company for acquiring raw materials, manufacturing products, marketing the same and exporting to foreign countries;   
  
(c) it will allow use of its patent rights, Trade Marks, and other exclusive rights so that the products of fresh company can be vended and compete the world market.

9. The first party will buy from fresh company its products to the extent of 60% at the cost plus 40% basis or the market price whichever is higher.

10.The first party shall make available to the fresh company its own know-how, trade contacts, sources of raw materials/equipments, financing from Banks, Financial Institutions and other sources, personnel recruitment, rendering administrative, fiscal and valid l services and getting factory sites, and office premises for the fresh company.

11. The pre-incorporation expenditures in promotion of the fresh company will be shared by first party and second party in the proportion of 49% and 51% respectively.   
  
12. The pre-incorporation expenditures so incurred will be paid/recovered from the fresh company and the fresh company when incorporated will ratify and agree to such payment.   
  
13. This agreement is based on obtaining, necessary permissions, approvals and agreement of Government of India and other authorities.

14. This agreement shall be ruled by the laws of India.

15. All controversies and differences concerning this agreement will be adjudged by the Indian Chamber of Commerce of Arbitral proceedings to be held in place…..and its decision shall be final and binding on both parties to the agreement.

In witness whereof the parties hereto have signed, sealed and delivered these Presents on the day, month and year first above-written.

Signed, sealed and delivered by Mr. ........................ pursuant to Board Resolution of ……..me. dated .................. in ……..in the presence of:

Signature (first party)

1.....................................   
  
Signed, sealed and delivered by Mr. .................pursuant to Board Resolution of ………ltd. dated ................in the presence of:

Signature (second party)

1. ..........................................
2. Witness:   
     
   1………………………   
     
   2………………………