**PARTNERSHIP DEED**

THIS DEED OF PARTNERSHIP is executed at New Delhi on this 20th day of January,2004

BETWEEN

Sh. X S/o \_\_\_\_\_ R/o\_\_\_\_, hereinafter called „THE FIRST PARTY‟ which expression shall

mean and include his heirs, successors, executors and legal representatives.

 AND

Sh. Y S/o Sh. \_\_\_\_ R/o \_\_\_\_\_\_, hereinafter called „THE SECOND PARTY‟ which

expression shall mean and include his heirs, successors, executors and legal representatives.

WHEREAS the First Party is in occupation as a tenant of property measuring 1000 sq. ft. on

the ground floor bearing No. E-1 Ram Nagar, Delhi.

AND WHEREAS the First Party is desirous of carrying on the business of interior decoration

and the Second Party, being experienced in this trade, has approached the First Party to run

this business with him jointly in partnership.

AND WHEREAS the parties have agreed to commence and run the business of interior

decoration, furnishing, manufacture and sale of furnishing, manufacture and sale of furniture,

soft furnishing and accessories in partnership.

NOW, THEREFORE, THIS DEED WITNESSES AS UNDER:

1. The name and style of the this partnership business shall be M/s XYZ

2. The business of this partnership shall be considered to have commenced on 20th day of

 January, 2004

3. That the principal place of business of this partnership shall be at . E-1 Ram nagar, Delhi.

 However, the same may be shifted or carried on elsewhere as well with the mutual

 consent of both the parties from time to time.

4. That the business of the partnership shall be interior decoration, furnishing, manufacture

 and sale of furniture, soft furnishing and accessories. However, the parties will also be

 entitled to extend their activities into business or manufacturing of any other item as well.

5. The shares of the parties in the profits and losses shall be as follows :

 i) First Party – 51%ii)Second Party – 49%

6. The initial capital has been contributed by both the parties by investing a sum of Rs.

 15,000/- each. If and when more funds are required for the business, the partners shall

 invest the same. However, any capital investment of the partners shall not carry any

 interest. In case loans or deposits are raised from outside i.e. friends and relations of the

 partner or the financial institutions then only those loans or deposits, which are taken with

 the written consent of both the partners and are entered in the books of accounts of the

 partnership, shall be binding on the firm. The partnership shall maintain regular books of

 accounts in accordance with the customs of trade and all dealings of the partnership shall

 be duly recorded in the same. The account books etc. shall be maintained in the place of

 business at . E-1 Ram Nagar, Delhi.

7. Each of the partners shall be entitled to withdraw a sum of Rs. 2000/- every month which

 shall be adjustable in the final profit and loss account to be prepared every year.

8. The First Party shall also be entitled to withdraw a sum of Rs. 5000/- per month towards

 the rent he is paying to the Landlord in respect of the portion of property No.E-1 Ram

 Nagar, Delhi

9. The tenancy rights in respect of property No. . E-1 Ram Nagar, Delhi shall always vest in

 the First Party and whenever the partnership is dissolved for any reason whatsoever, the

 Second Party shall not be entitled to any right, title or interest in the same.

10. That the partnership shall maintain proper books of accounts in the normal course of

 business at the principal place of its business and the same shall always be open for

 inspection to the partners.

11. That the first accounting period of the partnership shall close on 31 st March, 2005 and

 thereafter the financial year, shall run from 1 April every year to 31 March of the

 subsequent of the English calendar.

12. That the bank accounts of the partnership and / or its branches shall be operated under the

 signatures of any of the partners.

13. That at the close of the accounting period / year, a trial balance, profit and loss account

 and balance-sheet etc. shall be prepared and the profit and loss in the ration enumerated

 above shall be credited / debited to the capital account of the partners.

14. That either of the parties would not be entitled to carry on similar or competitive trade

 individually or in partnership and in any other manner.

15. The partnership shall be at Will. However, whenever any party intends to dissolve the

 same or retire from the same, he shall give an advance notice of 15 days to the other party

 and during the period of notice, profit and loss account, balance sheets shall be completed

 to finalize the accounts in between as partiers as well as with the outsiders.

16. That in the event of any dispute arising between the partnership with respect to any clause

 of this document or the working of the partnership or for anything indicated thereof, the

 same shall be decided by arbitration in accordance with the provisions of the Arbitration

 Act and by no other process.

17. That in all other matters not provided herein, the partnership shall be governed by the

 Indian Partnership Act as applicable from time to time.

IN WITNESS WHEREOF the parties have signed this document on the date first above

written in presence of the following witnesses.

 FIRST PARTY

 SECOND PARTY

WITNESSES

(1)

(2)