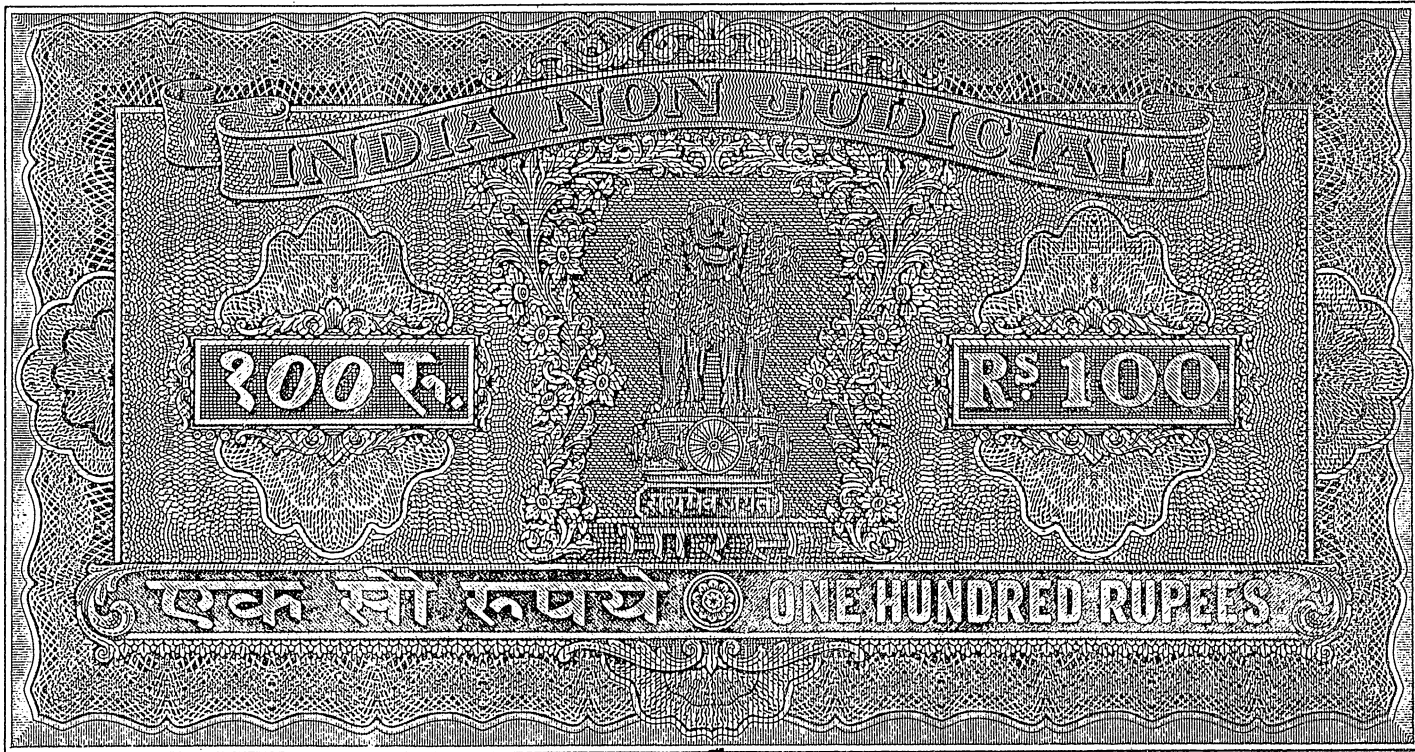




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 Hemachand
 Rama Lingam
 Modi Builders (Methodist Complex)

17/11/99
 Stamp of the
 CIVIL SUPPLY
 SECURITIES

LEASE AGREEMENT

This Lease Deed is made and executed on this the 17th day of November 1999, at Hyderabad, A. P., by and between:

M/s. Modi Enterprises (Wholly owned by Modi Builders Methodist Complex) a partnership firm, having its office at 5-4-187/ 3 & 4, M. G. Road, Secunderabad and represented by its partners Shri SATISH MODI and Shri SURESH BAJAJ, hereinafter referred to as the "LESSOR", which expression, unless repugnant to the context, shall mean and include their successors, in interest, legal representatives assigns nominees etc.,

AND

M/s Khaleel & Co. represented by its Managing Partner Mr. Khaleel Ahmed, having its office at 4-1-848, Abids Main Road, Abids, Hyderabad, hereinafter referred to as the "LESSEE", which expression, shall unless repugnant to the context, include its legal representatives, successors and assigns etc.,

For Modi Builders (Methodist Complex)

For KHALEEL & Co.

Channappa
 PARTNER

Partner
 For Modi Builders (Methodist Complex)
 Satish Modi
 Partner

2nd copy
 17/11/99
 20.33

WHEREAS the Lessor is the sole tenant of a building complex bearing the name METHODIST COMPLEX (the said building) situated at 5-9-189/190, Chirag Ali Lane, Abids, Hyderabad having got its rights of tenancy under an Agreement, Registered as Document No. 686/90 on 25/3/88 with the Registrar of Hyderabad, from Methodist Church in India, (Owners) the Owners of the land on which the building is constructed.

WHEREAS under the said agreement, the Lessor has the right to transfer its rights of tenancy in the whole or any part of the building to any person of their choice on such terms and conditions as it may deem fit and proper without requiring the giving of a notice to the Owners or taking their permission to do so.

WHEREAS the Lessee and his business associates have taken on lease shop Nos. 18, 33 & 30 on the upper ground floor in Methodist Complex bearing MCH No. 5-9-189/190, situated at Abids, Hyderabad. The Lessee is running a business of retail watch showroom in the said shops.

WHEREAS the Lessee has requested the Lessor to grant on lease one glow sign board space on the upper ground floor of the above mentioned Methodist Complex and the Lessor hereto agrees to do so for consideration and on the following terms and conditions;

THIS LEASE DEED THEREFORE WITNESSETH

1. The Lessor shall lease out and the Lessee shall take on lease the one glow sign board space on the upper ground floor of the building known as Methodist Complex, bearing M C H No. 5-9-189/190, situated at Abids, Hyderabad, described in more detail in the schedule hereto.
2. The Lease shall commence from 1st December 1999.
3. The Lessee shall pay to the Lessor Rs. 750/- (Rupees Seven Hundred and Fifty Only) as rent for the glow sign board space. The lease rent for the glow sign board space will be paid in advance on or before the 7th day of every calendar month.
4. The Lease shall be for a total period of 5 years. The Lessee shall increase the monthly rent by 8% on the existing amount on the expiry of every year, other terms remaining unaltered. After the expiry of the total lease period of 5 years, the Lease shall be renewed on mutually decided terms. In case the Lessor and Lessee fail to mutually agree on any terms and conditions within one month of expiry of the said lease period, i.e., 5 years, the Lessee shall hand over vacant possession of the said glow sign board space, immediately and peacefully, to the Lessor.
5. On the determination of the lease the Lessee shall deliver vacant possession of the glow sign board space as also the structures, if any, erected by the Lessee without claiming any compensation or value thereof from the Lessors.
6. The Lessee shall use the premises for glow sign board purposes only and not for any illegal activity.

for Khaleel Watch Co.

Partner

For Modi Builders (Methodist Complex)

Partner

For Modi Builders (Methodist Complex)

Partner

7. Besides the above mentioned rent payable the Lessee shall be liable to bear and pay all taxes, cess, fees, charges consequential and other amounts that may be raised, levied paid or payable to the Municipal Corporation of Hyderabad or any other body, authority, government, semi government etc., or otherwise. In case any of the above charges are levied on the entire building the Lessee shall bear proportionate share as per the area of the glow sign board space as intimated by the Lessor. The same shall be paid directly to the Corporation etc., or to the Lessor, if it so desires, who shall pay the consolidated sums to the Corporation etc.,
8. The Lessee shall be liable to undertake routine repairs and maintenance including white-washing and colouring in respect of the leased glow sign board space, if he so requires.
9. The Lessee shall be liable to keep the property in proper state and condition and shall not have any right to alter or amend the present structures, state and condition of the property in a manner that may adversely affect the construction of the entire building or that may cause nuisance to the Owners or other occupiers of the said building.
10. The Lessee shall be liable to bear and pay the following:
 - a) License and other fees.
 - b) Electricity charges consumed in the tenanted premises.
 - c) Property tax of the glow sign board space.
11. The Lessee shall pay all stamp duty, registration charges and other charges expenses etc., if any, that may be incurred with respect to this agreement and also such other deeds and documents that may have to be executed, or other acts and things that may have to be done in future in this regard.
12. The Lessee shall arrange the electrical power connection for the glow sign board space at his on cost, from their existing electrical power connection.
13. This agreement shall be subject to the jurisdiction of the courts of Hyderabad & Secunderabad only.
14. The Lessee shall not indulge in any business connected with liquor, or serve liquor, on the premises.
11. The Lessee shall be entitled to use the common services of the building including the lift and staircase. The Lessee shall be liable to maintain the common areas in good and decent condition, not to throw dirt or refuse therein and help maintain the building in good working atmosphere.
12. The Lessee shall not be entitled to assign, transfer sublet, and/or give on lease and license or part with the possession of the said premises to any third party.
13. The Lessee can enter into any agreement or franchise/agency/dealership, with company or person to facilitate for carrying on such activity, for which the Lessor shall not have any objection, and can also exhibit such trade name at the places mentioned above. The glow sign board space is taken on rent by the Lessee for their immediate plans for carrying out their franchise business.
14. The Lessor shall have the right to carry on further construction on or in the said building and also any extension or annex thereto as and when they so desire and the Lessee shall not object or create hindrance and shall extend full co-operation to the Lessor thereof.

FOR KHALEEL & Co.

Chamun
PARTNER

FOR Modi Builders (Methodist Complex)

Page 3

FOR Modi Builders (Methodist Complex)

Partnership Agreement, KHALEEL & Co. 16.11.99

Satish Mohan
Partner

15. In the event of the Lessee committing default in payment of any month or breach or breaches of any other terms and conditions the Lessor shall be entitled to determine the Lease by giving 30 days notice to the Lessee whether such non-payment or breaches take place within the agreed period of lease or thereafter.
16. Any notice given to the Lessee for the determination of the lease shall be sufficient if the same is addressed to the Lessee by registered post to the address of the Lessee mentioned herein, irrespective to whether such notice is returned unserved with the endorsement addresses refused, addressee not found and the like.
17. The Lessee at his option can reduce the monthly rent payable to the Lessor to just Rs. 10 per month for the said glow sign board space by paying a security deposit equal to 66 (sixty six) times the then existing rent. Any such security deposit shall not carry any interest. However, the Lessee shall intimate the Lessor his intention to do so in writing and execute a new agreement for the same.

SCHEDULE

One glow sign board space on the left wall, with one side about 20 ft from the shutter at the main entrance of the building, on the Upper Ground Floor of the building known as Methodist Complex, bearing M C H No. 5-9-189/190, situated at Abids, Hyderabad, admeasuring not more than 18 ft in length, 4 ft in height and 9 inches in depth, touching the ceiling on the another side, marked in blue in the plan given hereunder and bounded by:

NORTH BY:	Passage
SOUTH BY:	Shop no. 34 on the upper ground floor
EAST BY:	Main entrance of the said building
WEST BY:	Lifts

IN WITNESS WHEREOF the Lessee and the Lessor have executed this Lease Agreement on this the 17th day of November 1999 in prosence of the witnesses named below.

WITNESSES.

1. [Signature]
(Y. S. Murthy)
2. [Signature]
(S. M. Hussain)

LESSOR

1. [Signature]
For Modi Builders (Methodist Complex)
Partner
2. [Signature]
For Modi Builders (Methodist Complex)
Partner

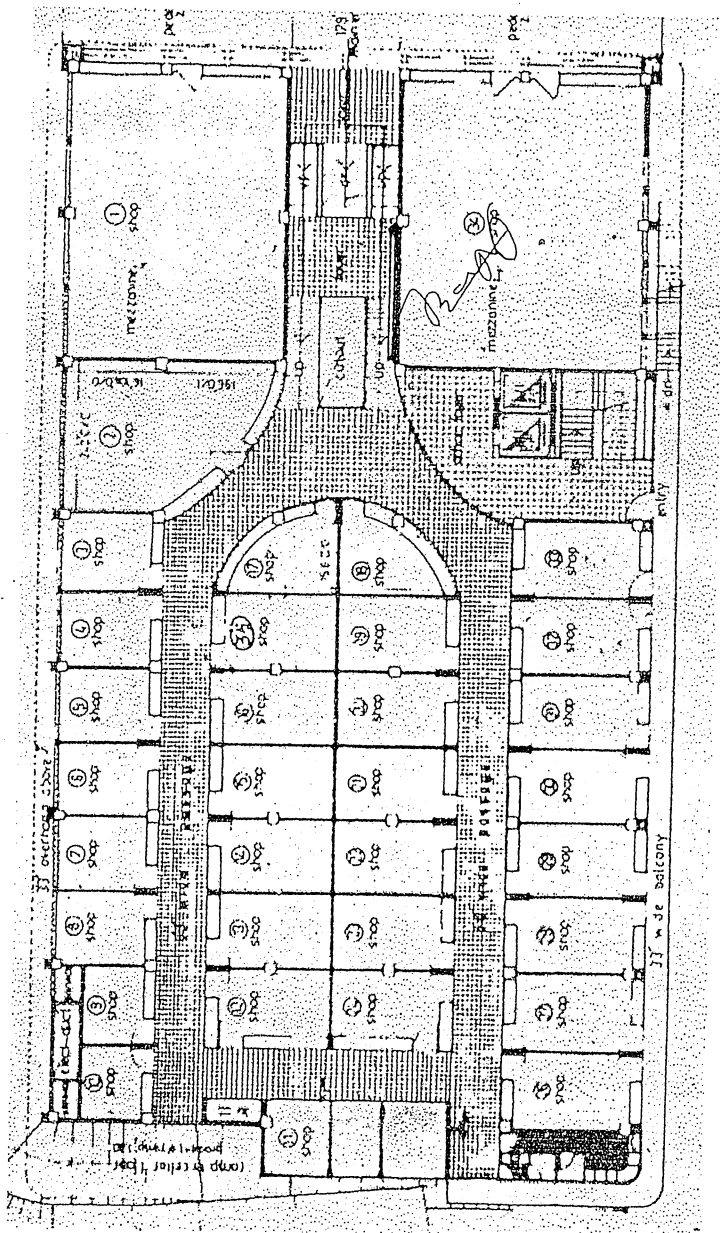
LESSEE

[Signature]
FOR KHALEEL & CO.
PARTNER

PLAN OF LEASE AGREEMENT FOR THE GLOW SIGN BOARD SPACE ON THE UPPER
GROUND FLOOR, IN THE BUILDING METHODIST COMPLEX BEARING M. C. H NO. 5-9-
189/190, SITUATED AT ABID ROAD, HYDERABAD.

LESSOR: MODI ENTERPRISES (Owned by M/s. Modi Builders Methodist
Complex) represented by Shri. Satish Modi and Shri. Suresh Bajaj.

LESSEE: M/s Khaleel & Co. represented by its Managing Partner Mr. Khaleel Ahmed



WITNESS:

1. G. Buntay
R. P. S. NUTTHI

2. [Signature]
(S. M. Hussain)

LESSOR
For Modi Builders Methodist Complex

Satish Modi
For Modi Builders Methodist Complex
Partner

LESSEE
For KHALEEL & Co.

[Signature]
PARTNER