

ANOTHER FORM OF DEED OF PARTNERSHIP

THIS DEED OF PARTNERSHIP is executed on this ____ day of _____ **between:**

- a. Sh. _____ s/o, Sh. _____, r/o of _____, hereinafter referred to as the "First Party" and
 - b. Sh. _____ s/o, Sh. _____, r/o of _____, hereinafter referred to as the "Second Party" and
 - c. Sh. _____ s/o, Sh. _____, r/o of _____, hereinafter referred to as the "Third Party" and
- The Party of the First Part, Second Part and the Third Part hereinafter collectively referred to as the "Parties".

WHEREAS all the Parties are desirous of joining hands to carry on the business of _____ in Partnership, it has been mutually decided to reduce into writing the terms and conditions of the Partnership.

NOW THIS DEED OF PARTNERSHIP WITNESSETH AS UNDER:

1. Name
That the business of the Partnership shall be carried on under the name and style of _____.

2. Term of Partnership
That the Partnership shall be deemed to have commenced from _____ and shall continue unless otherwise determined by the Parties.

3. Place of Carrying Business
That the business of Partnership shall be carried from _____ or any other place as may be agreed upon by the Parties.

4. Profit Sharing Ratio
That irrespective of capital investment, profits or losses of Partnership (including losses of capital nature, if any) shall be divided amongst and borne by the Parties equally.

5. Capital Contribution & Interest on Capital
That the necessary capital as well as further funds required for the purpose of Partnership business shall be contributed or arranged by the Parties equally and in such manner as may be mutually agreed upon by and between the Parties from time to time. Interest at the rate of ____ percent per annum or as may be prescribed under Section 40 (b) of the Income Tax Act, 1961 or any other applicable provisions as may be in force under the Income tax assessment of Partnership firm for the relevant accounting period shall be payable to the Parties on account standing to the credit of the account of the Parties. Such interest shall be calculated and credited to the account of each partner at the close of each accounting year. However, in case of loss or lower income, rate of interest can be nil or lower than ____ percent as may be agreed upon by and between the Parties from time to time.

6. Remuneration
That the First Party and the Second Party shall be the working partners in the firm and they shall be entitled to a remuneration of Rs. _____ per month and Rs. _____ per month, respectively which shall be paid by the ____th of each month. The Parties shall be entitled to increase or reduce the

above remuneration as may be agreed upon from time to time by and between the parties.

7. Drawings by Partner

Each partner shall be entitled to draw (in addition to the remuneration as per clause 6) out of the partnership business any sum or sums of money not exceeding Rs. _____ per month for his own use, such sums to be duly accounted for on each succeeding settlement of accounts and division of profits of the partnership and if any excess drawings is found on any such settlement, the same shall be refunded by the partner(s) concerned (with interest at _____ percent per annum).

8. Maintenance of Accounts

That regular books of accounts shall be maintained during the course of the business and these shall be closed on the 31st March each year and shall be opened to inspection of the parties to this deed at all reasonable hours at the Principal place of business.

9. Operation of Bank Accounts

That the Bank account(s) of the firm will be operated by the Parties jointly or any two of them jointly.

10 Partners to work in the interests of Partnership

Each Partner shall --

a. work honestly, diligently and shall devote their whole time and attention to the business of the firm.

b. be just and faithful to other partners.

c. give complete and truthful details of all matters relating to the affairs of the firm.

d. punctually pay and discharge their personal debts and liabilities.

e. shall do nothing to harm the interests of the Partnership.

11. Partners not to do certain Acts

Neither partner shall, without the consent of all other partners

(a) Engage or be concerned or interested in any other business or occupation either directly or indirectly;

(b) Take any apprentice or hire or dismiss any agent or servant of the firm;

(c) Lend any of the moneys or deliver, upon credit, any of the goods of the firm to any person or persons whom the other partner shall have previously

in writing forbidden him to trust;

(d) Except in the ordinary course of business give any security or promise for the payment of money on account of the firm;

(e) Draw or accept or endorse any bill of exchange or promissory note on account of the firm;

(f) Remit the whole or any part of any debt or sum due to the firm;

12. Introduction of a New Partner

If all partners agree, a new Partner may be introduced into the business of the Partnership on such terms and conditions as may be mutually agreed

between the Parties to this deed and the new partner

13. Death or retirement of a Partner

In the event of death of a partner, the Partnership shall continue with the nominee/ legal heir of such Partner, joining the firm.

OR If, during the continuance of the partnership, any partner retires or dies, the remaining partner or partners shall have the option, by giving a notice in

writing to the retiring partner or to the legal representatives of the deceased partner, as the case may be, within a period of ___ days after the retirement or death, to purchase the share of the other partners, at the date of his retirement or death, in the capital and assets of the partnership. The purchase price, in such an event, shall be such price as is mutually decided by _____ and _____ between _____ the _____ parties. If, however, the option to purchase share of the retiring or deceased partner is not exercised as aforesaid the partnership shall be wound up and the assets distributed as per the provisions of the Indian Partnership Act, 1932.

14. Dissolution of Partnership

(a) That the Partnership is at will and may be dissolved at any time mutually or by giving one month notice in writing by the outgoing party to the others.

(b) That in the case of dissolution of the firm the net realization on the sale of assets shall be distributed amongst the Parties equally after meeting the liabilities _____ of _____ the _____ firm.

15. Arbitration Clause

Every dispute or difference arising between the partners as to the interpretation, operation, or effect of any clause in the partnership which cannot be mutually resolved, shall be referred to the arbitration of _____ (name of the Arbitrator) failing him, to any other arbitrator chosen by the partners in writing. The decision of such an arbitrator shall be binding on the partners. Subject as aforesaid the Arbitration and Conciliation Act, 1996 and the rules made thereunder shall apply to the arbitration _____ proceedings _____ under _____ this _____ clause.

16. Governing Law

Except as aforesaid, the Partnership shall further abide by the provisions of the _____ Indian _____ Partnership _____ Act, _____ 1932.

IN WITNESS WHEREOF, the parties have set their hands this _____ day _____ of _____.

First _____ Party

Second _____ Party

Third _____ Party

Witnesses:

1.

2.