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**DEED OF PARTNERSHIP**

THIS DEED OF PARTNERSHIP MADE AT PUNE, ON DD/MM/YYYY

**BETWEEN**

1. **Mr. XYZ** Age :- xxxxxx years Residing at xxxxxxxxxxxx Occupation :- Business  
(Hereinafter referred to as Party of the FIRST PART and Partner 1 which expression shall unless repugnant to the context or meaning thereof includes his heirs, executors, legal representatives and assignees)

**AND**

2. **Mr. ABC** Age :- xx years. Residing at xxxxxxxxxxxxxxxx .Occupation :- Business (Hereinafter referred to as Party of the SECOND PART and Partner 2 which expression shall unless repugnant to the context or meaning thereof includes his heirs, executors, legal representatives and assignees)

**AND**

3. **Mr. PQR** Age :- xx years. Residing at xxxxxxxx. Occupation :- Business (Hereinafter referred to as Party of the THIRD PART and Partner 3 which expression shall unless repugnant to the context or meaning thereof includes his heirs, executors, legal representatives and assignees)

WHEREAS Party of the FIRST PART, SECOND PART and the THIRD PART intending to commence the business in Partnership. AND WHEREAS it is in the interest of Firm and the partners to reduce into writing the terms and conditions of the said Partnership as under –

NOW THIS INDENTURE WITNESSTH AND THE PARTIES MUTUALLY

AGREE AS UNDER:

1. **NAME OF THE PARTNERSHIP FIRM:**

- a) The Partnership business shall be carried on under the name & style of  
**M/s xxxxxxxxx**
- b) The partners may take any other name for their partnership business that may be mutually agreed upon by and between the partners hereto from time to time.

**2. PLACE OF THE BUSINESS:**

- a) The place of the business is and shall be at xxxxxxxxx.
- b) The Partners shall also be entitled to carry on business at any other places that may agree upon by and between the Partners hereto from time to time.

**3. COMMENCEMENT OF BUSINESS:**

- a) The business of Partnership has commenced on **DD/MM/YYYY**.
- b) For all practical & legal purposes the business of the business of the partnership is deemed to have been commenced w.e.f. dd/mm/yyyy.

**4. FINANCIAL YEAR:**

- a) The accounts of the firm shall be closed at the end of the each financial year ending 31<sup>st</sup> of March.
- b) The first financial year of the firm shall start from dd/mm/yyyy

**5. CAPITAL:**

- a) The fixed capital to be introduced by the Partners will be **Rs. 50,000 /-** (Rupees Fifty Thousand only). They shall contribute this as follows:

- i) Mr. XYZ Rs. 16,667/-(Rupees Sixteen Thousand Six Hundred Sixty Seven Only)
  - ii) Mr. ABC Rs. 16,667/-(Rupees Sixteen Thousand Six Hundred Sixty Seven Only)
  - iii) Mr. PQR Rs. 16,666/-(Rupees Sixteen Thousand Six Hundred Sixty Six Only)
- b) The amounts to be brought in, as capital in future will be decided by the partners from time to time considering the exigencies of the business. The same would be credited to the current accounts of the respective partners.

**6. NATURE OF BUSINESS :**

The business of the Partnership shall be that of;

- a) Trading in all types of xxxxxxxxx and other similar products and parts thereof.
- b) Trading in all types of xxxxxxxxx.
- c) Trading in all types of xxxxxxxxx goods.
- d) Carry out any other activity in connection with and auxiliary to above mentioned activities.

**7. PERIOD OF PARTNERSHIP:**

The partnership is "At WILL".

**8. MANAGEMENT & REMUNERATION PAYABLE TO THE WORKING PARTNERS:**

All the partners have agreed to actively engage themselves in conducting the affairs of the business of the partnership firm as working partners. Each partner has an implied authority to execute all documents, agreements, deeds on behalf of the firm, also give any information, explanations as may be required, file returns of the firm under any law for the time being in force in India under his signature.

It has further been mutually agreed that they will be paid their remuneration from dd/mm/yyyy in the following manner.

<b>PARTICULARS</b>	<b>REMUNERATION/SALARY</b>
a) In case of loss or Book-Profit upto Rs.3,00,000	Rs. 1,50,000 p.a. or 90% of such Book Profit whichever is more
b)On the balance of the Book - Profit	60% of such Book Profit

The calculation of book-profit is as per the provisions of sub-section (b) of Section 40 of the Income Tax Act, 1961. The total amount of remuneration calculated as above will be distributed among the working partners as under:-

<b>Names of the Partners</b>	<b>% age of Total Remuneration</b>
Mr. XYZ	33.33%
Mr. ABC	33.33%
Mr. PQR	33.34%

The remuneration payable to each working partner will be credited to the respective current accounts at the end of each year. Partners can withdraw monthly amount against their remuneration as per their requirement in such a manner as may be decided by the Partners by mutual consent.

**9. INTEREST ON CAPITAL:**

It is mutually agreed between the partners that the partnership firm will pay Simple interest to the partners on the credit balances to the Partners' Capital, Current and Loan Accounts @ 12% p.a. or @ as per the provisions of section 40 (b) (iv) of the Income Tax Act, 1961 or any other lower rate of interest as may be decided by the partners from time to time.

**10. PROFIT & LOSS SHARING RATIO:**

The Net Profit or Loss of the Partnership Firm including capital gain or loss shall be distributed / shared by the partners in the following ratio after considering the remuneration and interest paid to the Partners under section 40(b) of the Income Tax Act.

<b>Names of the Partners</b>	<b>Share in Profit/ Loss</b>
Mr. XYZ	33.33%
Mr. ABC	33.33%
Mr. PQR	33.34%

**11. LOANS & BORROWINGS:**

The Partners can mutually agree to raise funds by borrowings from banks, financial Institutions, Central or State Government or from any such person and all the partners jointly and severally responsible for the repayment of such loan and interest thereon.

**12. BANK ACCOUNT(S):**

- a) The Bankers of the Partnership shall be such bank or banks as may be decided by the parties hereto from time to time.
- b) All types of the bank accounts opened in the name of the firm shall be operated by **any one of the partners.**

**13. DUTIES AND RESPONSIBILITIES OF THE PARTNERS:**

- a) All working partners shall attend to the business of the Partnership punctually and diligently and use their utmost care, skill and endeavor the interest of the firm unless otherwise decided upon by mutual consent.
- b) Proper, full, correct and regular account of the receipts, payments, sales and purchases, engagements, transaction and dealings of the firm and the said books of accounts, vouchers, receipts, securities, papers and writings of the partnership shall be kept in the safe custody at the relevant or appropriate place or places in accordance with the requirements of the business of the partnership and each partner shall have free access at all reasonable times without interruption or hindrance by the others to inspect, scrutinize and have copy the same.

- c) No party shall, without the consent in writing of the other, release or compound any debt owing to the firm or diminish security to the firm without receiving the full account thereof or lend any money or delivery goods on credit on behalf of the firm otherwise than in the usual course of business of the firm or contract debts or institute suits or proceedings or make any 'assignment, either absolute or by way of mortgage or declaration of trust of his share or interest in the firm or do or knowingly permit to be done anything whereby the property of the firm may be exposed to the danger of being seized, attached or taken in execution or employ or dismiss any servant of the firm.
- d) Every partner shall pay his personnel debts punctually and indemnify the others and the capital and property of the partnership against any attachment seizure or sale thereof.
- e) Each partner agrees to indemnify the other partner from any claims, demands or liabilities with regard to the Business / Profession carried on separately by him. He also agrees to indemnify their partnership of its assets from the above liability.

**14. Admission of Partners:**

Any individual(s) can be admitted in the firm on such terms and conditions as may be decided mutually by all the partners.

**15. Retirement of Partners:**

- a) Any party desiring to retire from the Partnership may do so on giving to the others not less than 3 months' previous notice in writing of his intension to do so, and at the expiration of such notice she shall be deemed to retired from the partnership firm.
- b) In case of retirement the share of retiring partners in the Partnership business shall be determined and the remaining partner will carry on the business after admitting a new Partner on such terms and conditions, as they may desire.
- c) In case of retirement the retiring partner will not start the same kind of activity or similar kind of activity for at least one year.

**16. Death of Partners:**

That notwithstanding anything contained in the Indian Partnership Act it is hereby mutually agreed to by and between the parties that in case of death of any one or more partners, the firm shall not be dissolved but shall continue to be carried on by and between the surviving partners and legal heirs and/or representatives of the deceased partner, as a continuing concern, on the same terms and conditions as incorporated in this Deed or on such terms and conditions as may be agreed to by and between them from time to time. It is hereby further clarified that it shall be deemed as change in constitution and not succession.

**17. Arbitration:**

Any dispute or difference which may arise between the parties or their representatives with regard to the construction, meaning and effect of this deed or any part thereof or respecting the account, profits or losses of the business or the rights and liabilities of the parties under this deed or the dissolution or wind up of the business, or any other matter relating, to the firm shall be decided by arbitration in accordance with the Indian Arbitration Act, 1940.

**18.** The above terms of the Partnership can be changed by mutual consent of the Partners as per the exigencies of the business.

**19.** That for the all matters not specifically mentioned in this Partnership Deed, the Provisions of the Indian Partnership Act should apply.

**IN WITNESS WHEREOF ALL THE PARTIES HERETO HAVE FIXED THEIR SIGNATURES  
ON THIS PARTNERSHIP DEED ON THE DATE MENTIONED ABOVE.**

**SIGNED SEALED AND DELIVERED BY**

**WITHIN NAMED IN THE PRESENCE OF**

1. Mr. XYZ

\_\_\_\_\_

(Party of the FIRST PART)

2. Mr. ABC \_\_\_\_\_

(Party of the SECOND PART)

3. Mr. PQR \_\_\_\_\_

(Party of the THIRD PART)

**WITNESSES:-**

**1. Name :**

**2. Age :**

**3. Address :**

**4. Signature : \_\_\_\_\_**

**1. Name :**

**2. Age :**

**3. Address :**

**4. Signature : \_\_\_\_\_**