

Deed of Partnership between two Partners

(To be executed on Rs. 15/- Non Judicial Stamp Paper)

THIS INDENTURE OF PARTNERSHIP IS MADE ON the..... day of..... 2007
Between A.B. S/o..... R/o..... aged..... (hereinafter
called the 'First Party') AND C.D..... aged..... years, son of.....
resident of..... (hereinafter called the 'Second Party').

WHEREAS the parties hereto have agreed to commence business in partnership and it is expedient to have a written instrument of partnership.

WHEREAS the parties hereto have mutually agreed to carry on the business of..... (here describe the business) at..... (here specify the place or the principal place of business) and to share the profits and losses of the said business in partnership between themselves and they have with that object constituted themselves into a firm of partners under the name and style of M/s..... (here give the name of the firm).

The terms and conditions agreed to by and between the parties hereto witnesses:

1. The duration of the firm shall be, to begin with, a period of..... years or such further or lesser period as the parties may choose to mutually agree.

2. The capital of the firm for the time being is fixed at Rs..... (Rupees.....) only which has been contributed by the partners as follows namely:

First Party.....

Second Party.....

(In case minor is admitted to the benefits of the partnership the capital contributed by him, if any) Provided that the partners may by mutual agreement increase or decrease the capital and their respective contributions thereto. The partners by mutual consent may raise capital by way of loans if considered expedient.

3. The partners shall distribute the net profits and bear the losses in the following ratios:

First Party.....

Second Party.....

4. The partner, shall be entitled to withdraw out of the profits, money not exceeding Rs..... in each month adjustable against the account of the respective partners at the time of annual accounting.

5. The First party shall make available to the firm the shop premises in which the business of the firm shall be carried on, situated at..... and which shop or premises is in his occupation as a tenant from month to month paying a monthly rent of Rs..... to Shri..... and shall hereafter hold the said shop or premises in trust for the partnership for which rent shall be paid out of the partnership from the date mentioned in para 1 above.

6. The said rent, and all taxes, duties, repairs and outgoings in respect of the said shops or premises or other place or places of business of the partnership shall be paid out of the partnership.

7. No apprentice, clerk or servant shall be employed or dismissed without the consent of all the partners.

8. The firm shall regularly maintain in the ordinary course of business a true and correct account of all its incoming and outgoings and also all its assets and liabilities in proper books of accounts which shall ordinarily be kept at the firm's place of business.

9. Immediately after each..... day of..... in every year, the partners shall take an account and valuation of the effect, credits and liabilities of the partnership. Such accounts and valuations shall after mutual examination be drawn up in duplicate and signed by the partners, we shall each retain a copy. The entries in such signed accounts shall be final and binding between the parties. The profits or loss, as the case may be, shall be divided as aforesaid, after the signing of such account.

10. The authority of the partners, individually shall be limited to the following:

- (a) No partner shall individually purchase goods for the partnership without consulting the other and obtaining his consent for purchases of the value exceeding Rs.....
- (b) No partner shall singly bind the partnership by taking any loan or raising any money whether with or without security to the extent of more than Rs.....
- (c) No partner shall commit the partnership without obtaining the written consent of the other, to any undertaking which involves the partnership financially to the extent of more than Rs.....
- (d) All law suits shall be filed and defended by the partnership by the partners acting jointly in all cases which involve the partnership financially to the extent of more than Rs.....

11. The partnership shall be deemed to be continuing on the admission of a fresh partner or partners, provided the admission is on the terms herein laid down and is approved by all the partners.

12. Every partner shall be entitled to dissolve the partnership in the event of the other committing breach of the conditions herein covenanted. The partnership may be dissolved by a notice in writing sent by registered post to the address herein given or such address as may be registered from time to time with the Registrar of Firms. On the dissolution of the firm under this clause the expelled partners shall not be liable for any loss incurred as from the date of dissolution. But no profit or loss shall be paid or become payable except at the time of annual accounting.

13. On the bankruptcy of any partner or on notice being given to either partner under clause 12 above or on the death and there being no major legal representative willing or capable to take the place of the deceased partner the partnership shall terminate. The share of such partner may be purchased by the remaining partner(s) at a valuation to be made by arbitrators or their umpire as hereinafter mentioned. The price shall be paid in 3 equal six monthly instalments. The tenancy right of the first party shall be valued at..... years' rental.

14. Upon the determination of the partnership by afflux of time, or upon its determination by any other partner then, as soon as convenient, a full and general account of valuation shall be taken of the property and assets and liabilities of the partnership and the property and the assets put to sale and the debts realised and the creditors paid. The net proceeds in cash shall be equally divided between the then partners or the partners and the legal representative or representatives of the deceased partner; PROVIDED always, that if the proceeds are less than the liabilities the loss shall be made good in equal shares by the then partner, or the legal representative or representatives of any deceased partner.

15. If at any time any dispute, doubt or question shall arise between the partners, or their representatives either on the construction of these presents, or respecting the accounts, transaction, profits or losses of the business or otherwise in the relation to the partnership then every such dispute, doubt or question shall be referred to arbitrators chosen by each of the partners and the representatives of their umpire to be appointed in the manner provided by law and such reference shall in all respect, as to the mode and consequence thereof conform to the provisions in that behalf contained in the Arbitration and Conciliation Act, 1996 or any statutory modification thereof.

IN WITNESS WHEREOF the said A.B. and C.D. have hereto at..... signed the day and the year first above mentioned.

WITNESSES:

Sd/- A.B.

Sd/- C.D.