**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.
ORIf, 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.**
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