

PARTNERSHIP DEED

THIS DEED OF PARTNERSHIP EXECUTED AT CHENNAI, ON THIS «Date_of_Deed» DAY OF «Month» «Year», BY AND BETWEEN,

- (1) **«Partner_1_Name_First_Name__Middle_Name»** S/o
 «Partner_1_Father_Name_First_Name__Midd», aged about
 «Partner_1__Date_of_Birth» years, presently residing at
 «Partner_1__Residential_Address_City_P» AND HEREINAFTER KNOWN AS FIRST PARTY/PARTNER AND,

- (2) **«Partner_2__Name_First_Name__Middle_Na»** S/o.
 «Partner_2__Father_Name_First_Name__Mi», aged about
 «Partner_2__Date_of_Birth» years, presently residing at
 «Partner_2__Residential_Address_City_P» HEREINAFTER KNOWN AS SECOND PARTY/PARTNER,

THAT the party of the both the parts are desirous of commencing and carrying on the business in partnership under the name and style of “«**Fname**»”.

NOW the parties of both the parts have agreed, to reduce the terms and/or conditions governing their partnership into writing.

NOW THIS INDENTURE WITNESSETH AS FOLLOWS –

1. THAT the Partnership business shall be commenced and carried on under the name and style of “«**Fname**»” and/or in any other name(s) as per the mutual decision of the partners from time to time.
2. THAT the Partnership business shall be commenced and carried on at «Faddr», and/or at any other place(s) as may be mutually agreed upon by them from time to time.

3. THAT the chief business of the partnership shall be to carry on the business «Nature_of_Business» and any other product as may be mutually agreed upon by partners from time to time. The partnership may carry on any other lawful business or businesses as may be mutually agreed upon between the parties hereto from time to time.
4. THAT the partnership is effective from «Date_of_Deed»/«Month»/«Year» and its duration is 'AT WILL'.

5. i) THAT the parties of both the parts shall contribute funds towards capital as may be required for the purpose of the partnership businesses shall be contributed or arranged by the partners in such manner as may be mutually agreed upon by and between the partners from time to time. Interest at the rate of 12% per annum or as may be prescribed under section 40(b) (iv) of the Income Tax Act, 1961 or any other applicable provision as may be in force, for the Income-tax assessment of the partnership firm for the relevant accounting period, shall be payable to the partners on the amount standing to the credit of the account of the partners. Such interest shall be calculated and credited to the account of each partner at the close of the Accounting Year. However, in case of loss or lower profit, rate of interest can be "NIL" or lower than 12% as may be agreed to by and between the partners from time to time.
- ii) THAT The partners shall be entitled to withdraw any amount during the year, from the partnership towards their share of profit or out of their current, loan and/or capital account from time to time as may be decided by the partners by mutual consent.
- iii) THAT it is hereby expressly agreed, by and between the partners, that in case of debit balance in the account of any of the partners, interest at the rate of 12% per annum and/or at any other rate or rates, as may be mutually agreed upon by the partners from time to time, shall be charged except on the withdrawals on account of remuneration.
6. i) THAT parties of both the parts have agreed to work in the partnership firm, as WORKING PARTNERS. It is hereby agreed that, in consideration of the parties of the all the parts actively engaging, themselves in conducting the affairs of the business of the partnership firm, and working in partnership they shall be entitled to draw remuneration in the manner as prescribed on the "Book Profit" as per section 40(b)(v) of the Income Tax Act, as amended from time to time or such other provisions of Income Tax Act or such other Act applicable for Income Tax Assessment purposes.
- ii) The remuneration as computed in compliance with clause herein above shall be shared between the WORKING PARTNERS in the profit ratio as mentioned hereinafter.
- iii) THAT the partners shall not be entitled to draw any remuneration in the accounting period in which the partnership firm has suffered losses on the basis of the Book Profit as computed under the provisions of the Income Tax Act, 1961. For the purpose of calculating the above remuneration, the book profit shall mean the profit after all expenses including interest to the partners but before any remuneration to the partners.
- iii) THAT in case the profit after interest to partners is not adequate to meet the remuneration as fixed by this deed, they will be entitled to such proportionate remuneration, reducing such profit to NIL.

iv) THAT the remuneration payable to the above said, partners shall be calculated at the end of the accounting period and shall be credited to their Account. The working partners shall be entitled to withdraw out of remuneration for their personal means from time to time and no interest shall be charged on such withdrawals.

v) THAT the partners shall be entitled to increase or reduce the above remuneration and may relieve any of the partners as working partner and the parties hereto may also agree to revise the mode of calculating the above said remunerations by and between the partners from time to time.

7. THAT the partners shall be entitled to modify the above terms relating to remuneration, interest, etc. payable to the partners by executing a supplementary deed and any such deed when executed shall have effect, unless otherwise provided, from the first day of the accounting period in which such supplementary deed is executed and the same shall form part of this deed of partnership.
8. THAT the Net Profit of the partnership business as per the accounts maintained by the partnership after deduction of all expenses relating to trading activities and/or business of the partnership including rent, salaries and other establishment expenses as well as interest and remuneration payable to the working partners in accordance with the clause No. 5 & 6 of this deed of partnership or any supplementary deed as may be executed by the partners, shall be divided and distributed between the partners on the close of the accounting year in the following proportions;

1. «Partner_1_Name_First_Name__Middle_Name» - PARTY OF FIRST PART - «Partner_1__Profit_Sharing_Percentage_»%	
2. «Partner_2__Name_First_Name__Middle_Na» - PARTY OF SECOND PART - «Partner_2__Profit_Sharing_Percentage_»%	
TOTAL	100%

THAT the losses, if any, suffered in any year shall also be apportioned in the same manner as hereinabove mentioned.

9. THAT the firm shall maintain all necessary and proper books of accounts and the same shall be closed to profit and loss account on 31st day of March every year. A general account of assets and liabilities should be taken on the said day as done by like concerns engaged in the like businesses.
10. THAT the said account books shall be kept at the chief place of businesses and be open at all times to the inspection of all the parties hereto who shall be at liberty to take copies thereof and make extracts there from.

11. THAT the parties hereto shall be just and faithful to each other in all transactions of the business of the partnership and shall render true and correct account to each other as and when the same shall reasonably be required.
12. THAT the parties of both the parts are hereto and hereby authorised to open and operate Bank Account(s) either jointly or severally on behalf of and in the name of the firm.
13. THAT the parties of both the parts are authorised to raise loan or loans either jointly or severally on behalf of and in the name of the firm from Bank or Banks or from Private party or parties, or from the credit institution or institutions either on personal security of the partner or partners or by pledging or hypothecating their personal properties or the properties of the firm. However, the said loan should be credited in the books of the firm.
14. THAT the assets of the partnership shall not be applied to discharge any other debts or liabilities contracted by any of the partners in their separate or individual capacity. However, loans if any, raised by any individual partner on behalf of or for the purpose of the firm can be discharged from the assets of the firm provided they are brought into the account books of the firm.
15. THAT the death of any of the partners hereto shall not *ipso facto* amount to dissolution of the firm and the surviving and/or the other remaining partner(s), as case may be, shall be entitled to continue and carry on the businesses in any manner he/she may decide from time to time and the capital invested by the deceased together with the profit, if any, will accrue to the benefit of his/her legal heirs.
16. THAT the parties of both the parts are authorised to represent the firm in any Civil or Criminal Court or Courts, Courts of Insolvency, before all the Judges, District Judges, Magistrates, Collectors, Munisiffs, Registrars and/or Sub-Registrars, Income-tax and GST authorities, Official Assignees, Official Receiver, Police Commissioner and Civilian Officers, of the State Government as well as Central Government, Import and Export Trade Control authorities, Customs Authorities, Postal authorities etc. They are further authorised to conduct all the partnership business and to sign and verify all complaints, appeals, petitions etc., which are to be filed in any Civil or Criminal Court or Courts or before any Officers of the Indian Government or State Government(s) and swear necessary affidavits and certify all written statements and defend all suits brought against the firm or against any of the parties hereto.
17. THAT any dispute or difference which may arise between the parties, or their representatives with regard to the constructions meaning, and effect of this deed or any part thereof, or regarding the accounts, profits or losses of the business, or the rights and liabilities of the partners under this deed, or the dissolution or winding up of the business or any other matter relating to the partnership shall be referred to arbitrators. In so far as the arbitration is

concerned the provisions of Arbitration and Conciliation Act, 1996 shall apply to such arbitration with modification up to the date.

18. THAT any of the above terms may be varied, altered, amended, substituted or added by the mutual consent of the parties hereto and such consent must, as far as practicable, be expressed in writing to the extent possible.

19. In all other respects the provisions of the Indian Partnership Act, 1932 shall apply.

IN WITNESS WHEREOF THE PARTIES HEREUNTO HAVE SET THEIR RESPECTIVE HANDS ON THE DAY, THE MONTH AND THE YEAR HEREINABOVE MENTIONED.

WITNESSES:

1.

2.

SIGNATURE OF THE PARTNERS

1.

[«Partner_1_Name_First_Name__Middle_Name»]
PARTY OF FIRST PART

2.

[«Partner_2__Name_First_Name__Middle_Name»]
PARTY OF SECOND PART

PARTNERSHIP DEED

OF

M/s. «Fname»

DT. «Date_of_Deed»«Month»«Year»