

PARTNERSHIP DEED

This **DEED OF PARTNERSHIP** made this _____ day of _____ between _____

hereinafter called the partners of the first part and Second Part respectively

AND

A company registered under the provisions of the Companies Act 1956 and having its registered office at _____ hereinafter called the party of Third part

WHEREAS the Parties of First and Second Part by virtue of their partnership deed dated _____ have been carrying on the business of manufacturing and marketing paints, colors and varnishes etc. under the name and style of _____ with factories at _____ under the same name and style.

AND WHEREAS the Party of Third Part Viz. the company is formed with the objects of manufacturing dealing and marketing in paints, varnishes, colors etc.

AND WHEREAS the Party of the Second Part has expressed its desire and willingness through the director _____ to enter into Partnership and parties First, Second part have mutually decided that the Party of the third Part shall be taken as Partner.

AND WHEREAS it is deemed necessary and desirable that a regular Deed of Partnership be reduced in writing and executed on the terms and conditions mentioned hereunder.

NOW THIS DEED WINTESSETH AS UNDER: -

1. The Partnership shall come into effect from _____ and shall be for an indefinite period unless it is determined.
2. That the name and style of the Patnership firm hereby formed shall be with factories at _____ under the same names and style or with branch or branches at such place(s) as the parties may mutually decide.
3. That the business of the Partnership Firm hereby formed shall be that of manufacturing and marketing of paints, colors and varnishes etc., as hereto before.

The parties may, however, with their mutual consent embark upon a new line or lines of business and may open branch or branches or new factory.

4. That the amount standing to the credit of the personal accounts of the Parties of First and Second Part in the books of above firm as on _____ shall be treated as contribution by them to the capital of the Partnership and the Party of the Third Part shall bring Rs. _____ as his share towards the capital of the firm.

5. That further finance required for the purpose of business of the firm shall be contributed by the parties in such rate as may be mutually agreed upon. Interest at the rate of _____ or at a rate as may be mutually agreed upon between the parties from time to time shall be allowed on the capital standing to his/her credit for the time being in the books of the partnership.

6. That the regular accounts books shall be kept in due course of business in which shall be faithfully recorded all the transactions enter into by the firm and such books shall be closed on _____ or/on any other convenient or auspicious day as may be mutually agreed upon between the parties hereto from time to time.

7. That on closing the account books in the aforesaid manner, a regular profit & Loss Account shall be prepared and a balance sheet shall be drawn up.

8. That the Profits & Losses shall be divided between and borne by parties hereto in the following proportions:

Partner	% of share in Profits and Losses
----------------	---

9. That the partners will be paid a Salary of Rs.2500/- per month for the services rendered to the firm and they will also be entitled to a bonus @ 12% on their salary.

10. That all the assets and liabilities of the firm as on _____ tangible or otherwise, would be taken over by the Partnership at its book value and shall be deemed to be assets and liabilities of this Partnership and all the Parties hereto will have equal rights/liabilities thereon.

11. That all rights of the firm as on _____ namely ISI marketing license, Trade marks, Sales Tax registration, Telephone connections, Tenancy rights, Lease rights, Ownership right etc. shall be deemed to be the rights of the partnership and all the parties hereto will have equal rights/liabilities thereon.

12. That each partner shall: -

- (a) Diligently attend to the business of the Partnership and devote his/her necessary time and attention thereto.
- (b) Punctually pay her/his separate debts and indemnify the other partner and the Assets of the firm against the same and all expenses therefore.
- (c) Upon every reasonable request inform the other Partner of all letters, accounts, writings and such other things which shall come to her/his hands or knowledge concerning the business of the Partnership.

13. That neither Partner shall without the consent of the others: -

- (a) Lend any of the money or deliver upon credit any of the goods of the firm to any person or persons whom the other Partners shall have previously in writing forbidden her/him to trust.
- (b) Raise or advance any loan in the name of or on behalf of the firm.
- (c) Assign, charge or transfer her/his shares in assets or profits of the firm.

14. That the account in the name of the firm shall be opened with the Banks or bankers as the Parties may mutually decide and the same shall be operated upon by the Parties hereto singly.

15. That any partner may retire from the Partnership firm, hereby formed by giving two months notice in writing to the others but none shall leave the firm until or unless all the pending commitments are carried out, liabilities paid off, assets realized and accounts are rendered fully and settled finally to the entire satisfaction of each of the parties hereto.

16. That the parties hereto may, however, with their mutual consent pay remuneration to any of the parties hereto at a rate that may be mutually agreed upon between them from time to time. They shall be at liberty to increase or decrease such rate of remuneration with their consent from time to time.

17. That in the event of death or retirement of any of the parties hereto the partnership firm hereby formed shall not dissolve, but shall continue. The legal heir or the representative of the deceased shall step into her/his shoes.

18. That upon the dissolution of the partnership in any even not hereinafter provided for the said business, the assets, goodwill and liabilities thereof should absolutely vest on any one partner mutually decided by the parties to the partnership.

19. That it will always remain open to the parties hereto to amend, annul or change any term or terms of this Deed of Partnership in the course of its business and in that event of amending, annulling or changing any term or terms of this deed of Partnership no fresh deed shall be required to be executed.

20. That without prejudice to the above terms and conditions the parties hereto in all other matters shall be governed by the provisions of Indian Partnership Act, 1932.

21. That all the disputes or differences arising out of it and connected with the Partnership shall be referred to the arbitrator in accordance with the Indian Arbitration Act.

IN WITNESS WHERE OF, the parties of the first and Second parts here have put their respective hands on this DEED OF PARTNERSHIP on the day, month and year first mentioned above.

IN WITNESSES WHEREOF, the common seal of the Third Partner viz. _____ was pursuant to the resolution of the Board of Directors passed in that behalf on _____ here into affixed in the presence of and signed these presents in token thereof in the presence of the Witnesses:

WITNESSES:

Partners

- 1.
- 2.
- 3.