

Industries Department, Haryana
Template regarding Commercial Contracts

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(10) Deed of Partnership

This DEED OF PARTNERSHIP is executed on the _____ day of _____, ___ at _____ by and between A. Mr. _____ S/o Mr. _____ R/o _____.(hereinafter referred to as the “First Party” which expression shall, unless excluded by or repugnant to the context be deemed to mean and include its administrators and permitted assigns).

B. Mr. _____ S/o Mr. _____ R/o _____.(hereinafter referred to as the “Second Party” which expression shall, unless excluded by or repugnant to the context be deemed to mean and include its administrators and permitted assigns)

C. Mr. _____ S/o Mr. _____ R/o _____.(hereinafter referred to as the “Third Party” which expression shall, unless excluded by or repugnant to the context be deemed to mean and include its administrators and permitted assigns)

D. Mr. _____ S/o Mr. _____ R/o _____.(hereinafter referred to as the “Fourth Party” which expression shall, unless excluded by or repugnant to the context be deemed to mean and include its administrators and permitted assigns)

WHEREAS all the above said four parties (the “Partners”) have decided to enter into a Partnership through this Deed of Partnership.

WHEREAS the Partners have decided to reduce the terms & conditions of their Partnership into writing as appearing hereinafter:

NOW THIS DEED OF PARTNERSHIP WITNESSETH AS FOLLOWS:

1. NAME OF THE PARTNERS:

(1) Mr. _____(Managing Partner)

(2) Mr. _____

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(3) Mr. _____

(4) Mr. _____

2. NAME OF THE PARTNERSHIP:

That the name of the Partnership shall be _____ having its office at _____, India (the "Firm").

3. TENURE:

The Firm shall remain in existence and any dissolution shall not take effect, till the time all the Partners of the Firm after mutual consent pass the resolution to this effect.

4. PLACE OF BUSINESS:

The Partnership shall commence on the _____ day of _____, ___ and the business of Firm shall be carried on at _____ or at such other place as may be decided by the Managing Partner from time to time.

5. BENEFITS TO PARTNERS:

Each partner shall get salary and other perks as may be mutually decided by all the partners from time to time.

6. MANAGING PARTNER:

Mr. _____ shall be the Managing Partner of the Firm and is hereby authorised by all the Partners to perform day to day affairs of the Firm and to do all the acts, deeds and things or such other tasks as deemed fit by him on behalf of the Firm and in the beneficial interest of the Firm. All other Partners shall be working / non-working Partners in the Firm, and shall not be concerned or responsible for carrying out the business of the firm. It is further agreed by all the partners that Mr. _____, Managing Partner of the Firm shall be solely liable/ responsible for all actions of the Firm and no other partner shall be liable for the same irrespective of any proceedings that may be filed by any third party against the Firm and its partners.

7. POWERS/ DUTIES/ RESPONSIBILITIES OF THE MANAGING PARTNER:

The powers and duties of the Managing Partner, which shall be exercised at his sole discretion without any consent (written/verbal) from any of the remaining partners, shall include but not be limited to the following:

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7.1 Registration of the partnership deed and obtaining of the Registration Certificate from the Registrar of Firms.

7.2 Obtaining the statutory approvals/ licenses/ registration of logo of Firm.

7.3 Authorising anybody to do the liaisoning with concerned Govt. Departments.

7.4 Opening of the Bank Account in any scheduled licensed bank by R.B.I.

7.5 To convert this partnership Firm in LLP or Pvt. Ltd. or Ltd. Company as and when Managing Partner opts to do so.

7.6 To appoint Consultant for the respective field like taxation/ legal as the need may arise.

7.7 Supervising the accounts and managing the day to day tasks of the Firm.

7.8 To sue, file and institute any case on behalf of the Firm and defend any claim, court case or proceedings filed against the Firm including issuing of Vakalatnama/ Letter of Authority to the lawyers named herein below, filing any affidavits, written statement, applications, petitions, suits, complaints etc.

7.9 Notwithstanding anything contained in clauses 23.2 and 23.3 herein below, Mr. _____, the Managing Partner of the Firm is hereby irrevocably authorised by all the Partners to make any other person / entity a Partner or enter into any contract including partnership on behalf of the Firm, compromise or compound or release or discharge any debt due to the Firm, draw, borrow, accept or endorse on behalf of the Firm any bill of exchange / promissory note and / or pledge the credit of the Firm if the same in his opinion is for the benefit of the Firm, enter into any bond and / or stand bail or surety for any person if the same is in his opinion for the benefit of the Firm, transfer, sell, assign, mortgage or charge the assets (moveable/ immoveable) and/or profit of Firm for raising the loan/ money for the business purpose of the Firm, independently at his own discretion and without requiring to obtain any consent (written or verbal) from any/all of the remaining partners. However, Mr. _____, managing Partner of the Firm shall have no right/power to pledge/ sell /encumber or in any manner deal with the shares of the First Party in the Firm without obtaining the no objection in writing from the First Party.

8. NATURE OF BUSINESS:

8.1.1 The business of the Firm shall be to invest/purchase the land/ industrial land, hotels, stocks, dealers, consultant, travel agent, renting of the

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properties etc. and to do such other business as the Managing Partner may decide from time to time.

9. BANKERS/ BANK ACCOUNTS:

9.1 That account(s) of the Firm shall be opened in the name of the Firm with any scheduled

bank(s) by Mr. _____ on behalf of the Firm.

9.2 Firm shall be having two accounts in the bank(s) namely main account and subaccount. In main account, only such financial transactions shall be conducted which would be related to the business, other than the operational expenses of the Firm. Whereas all operational expenditures/ expenses (subject to the maximum limit of Rupees..... Lakhs per annum or as per the budgetary approval/ allocation) of the Firm including but not limited to day to day routine/other expenses etc. shall be routed through the sub-account of the Firm.

9.3 That subject to the clause 9.1 above, Firm shall open Bank Accounts in the following banks against the respective transactions or as decided by Managing Partner of the Firm from time to time. Name of the Bank Transactions to be held

1 2 3 4

10. AUTHORISED SIGNATORIES:

The Bank Account shall be operated only by following authorised signatories:

10.1 In the operation of said main account, the authorised signatories shall be:

10.2 In the operation of sub-account (expense related only), the authorised signatories shall be: (Specimen Signatures of all the Partners/ authorised signatories are annexed hereto as Annexure-B.)

10.3 Notwithstanding anything contained hereinabove, none of the signatory shall be liable in the sense of being incharge of and responsible for the affairs of the Firm.

11. CAPITAL & SHARES:

11.1 The initial capital of the Partnership shall be Rupees _____ (the "Capital"), which shall be subscribed by the partners of the Firm in the ratio set out herein below:-

11.1.1 The First Party shall contribute Rupees _____ only i.e. ____% of Capital.

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11.1.2 The Second Party shall contribute Rupees _____ only i.e. ___% of Capital.

11.1.3 The Third Party shall contribute Rupees _____ only i.e. ___% of Capital.

11.1.4 The Fourth Party shall contribute Rupees _____ only i.e. ___% of Capital.

12. PROFIT SHARING:

12.1 The profits and losses of the Firm shall be shared by the Partners in the following proportions: The First Party The Second Party The Third Party The Fourth Party.

12.2 Profits payable to the partners shall be at the sole discretion of the Managing Partner either credited into the capital account of the Firm or paid by cheque to the accounts of respective Partners.

13. ADDITIONAL CAPITAL:

Any further Capital requirement shall be intimated by Mr. _____, Managing Partner to all other Partners of Firm through e-mail or by registered post from time to time for the purposes of the Partnership and Partners shall contribute towards the capital of the Firm in proportion to their respective shares in the Firm. However, if any partner fails to contribute the money as required, then their respective shares in the Firm shall be reduced proportionately. Firm may pay interest maximum upto 12 % at the discretion of Managing Partner on the excess share standing to the credit of the particular partner in the books subject to his/her demand at the end of the financial year i.e. upto 31st March.

14. RETIREMENT/ RESIGNATION:

The Partners shall have the option/right to resign/retire from the partnership and in the event the number of partners falls below two the partnership shall be deemed to have been dissolved and the assets of the Firm shall be distributed in terms of clause 25 herein below.

15. JOINING OF NEW PARTNER:

15.1 The Firm may decide to take in any new investor as one of the partner after he /she /it remits the requisite funds as per the Firm's requirements w.e.f. 01st April and in the intervening period simple interest will be payable by the Firm on

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the investment /deposits made by such new investor as per saving bank account rate of interest of nationalized bank.

15.2 Notwithstanding anything contained in clause 15.1, Mr. _____, the Managing Partner, is hereby authorized by all the partners to opt any other person / entity a Partner of the Firm or enter into any contract including partnership on behalf of the Firm.

16. ACCOUNTS:

16.1 The accounts of the Partnership shall be made up at end of the financial year or at such date mutually agreed upon between the Partners and shall be kept at the principal place of business. The assets and liabilities/ balance sheet and profit and loss of the Partnership shall be signed by all the Partners and audited by auditors.

16.2 That as per provisions of Partnership Act, personal and business expenses shall be booked separately by the Firm under the expense group namely Business Expense & Personal Expense.

17. ACCOUNTING FIRM:

The accountants of the Firm shall be _____, having its office at _____. They shall be responsible for all the accounts/taxation related tasks of the Firm including preparation of balance sheet/ assets and liabilities/ profit and loss of the Partnership etc. and shall also generate MIS reports in the following manner to the Managing Partner: Quarterly Profit & Loss Account and Balance Sheet, Quarterly assets verification report, Quarterly Funds verification certificate, Quarterly compliance certificate, Yearly meeting for finalization and adoption of books of annual accounts.

18. AUDITORS:

The Auditors of the Firm shall be _____ . having its office at _____ (the "Auditors"). The Auditors shall be responsible for all the accounts/taxation related tasks of the Firm including but not limited to income tax, VAT, preparation of balance sheet/ assets and liabilities/ profit and loss of the Partnership etc.

19. LEGAL ADVISORS:

Firm shall be having legal advisors namely: _____ .

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20. ARBITRATION:

In the event of any dispute or differences arising between the parties hereto either touching or concerning the construction, meaning or effect of this Deed or the respective rights and liabilities of the parties hereto, or their enforcement there under, it shall be first settled amicably through discussions between the parties and if not resolved then otherwise referred to the arbitration of a Sole Arbitrator if agreed upon, failing which to the Sole Arbitrator as appointed by the Court in accordance with the provisions of the Arbitration and Conciliation, Act. The arbitration proceedings shall be conducted at in English language.

21. SEVERABILITY:

This deed constitutes the entire understanding/agreement between the parties taking precedence over and superseding any prior or contemporaneous oral or written understanding. Unless otherwise provided herein, this deed can not be modified, amended, rescinded or waived, in whole or part except by a written instrument signed by all the parties to this deed. The invalidity or unenforceability of any terms or provisions of this deed shall not affect the validity or enforceability of the remaining terms and provisions of this deed, which shall remain in full force and effect.

22. COVENANTS:

22.1 No partner shall without the written consent of all other remaining Partners or resolution of the Firm passed by the Partners.

22.2 make any other person/entity a partner with him/her or enter into any contract.

22.3 transfer, sell, assign, mortgage or charge his/her shares and/or interest in the Partnership and/or in the assets and/or profit of Firm.

22.4 compromise or compound or release or discharge any debt due to the Firm.

22.5 draw, accept or endorse on behalf of the Firm any bill of exchange and/or promissory note and/or pledge the credit of the Firm.

22.6 enter into any bond or stand bail or surety for any person or knowingly cause or permit anything whereby the Partnership property may be endangered.

22.7 dispose of by loan, pledge, sell, transfer any moveable/immoveable property of the Firm/ Partnership on behalf of the Firm/ Partnership.

22.8 enter into Partnership on behalf of the Firm.

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22.9 borrow in the name of the Firm.

22.10 If any of the partner commits any breach of any of the stipulations contained herein he/she hereby indemnifies the Firm/ all the remaining Partners from all damages, losses and expenses from such breach.

23. DISSOLUTION:

23.1 That it is specifically agreed by and between the Partners herein that the Firm shall not be dissolved in the event of death/ insolvency of any one of the Partners, but shall continue with the existing Partners. However, no legal representative or heir of the deceased partner, shall be entitled to become a partner and interfere in the management of the affairs of the Firm/Partnership.

23.2 Only those legal representative or heir, who would be duly nominated as per the Will (subject to verification of authenticity/validity of said document) of the deceased partner, shall be entitled to inspect the account books and the vouchers in support thereof for the purpose of ascertaining his/her share therein and the profits accruing/due thereon. Such duly nominated legal representative or heir shall not, however be liable for any losses incurred after the demise of the partner unless he is taken as a partner in place of the deceased partner immediately on such demise. In the event any of the Partner dies without leaving any Will or nomination, legal heirs of the said Partner would be entitled to receive the dues of the said Partner as may be payable to him on date of his death only after producing an appropriate order to that effect from the Court of appropriate jurisdiction.

23.3 That it is agreed between the Partners that in case of retirement/ resignation of any partner(s) from the Firm, the Partnership shall not be dissolved but shall continue with the remaining Partners.

24. REGISTRATION:

The Firm shall be registered pursuant to the Indian Partnership Act and Firm shall subsequently apply for the requisite licenses/ approvals for conduction of its business to the appropriate authorities. Any change which may occur in the particulars to be furnished thereunder shall forthwith be notified to the Registrar of firms in a statement specifying the date and nature of such change signed by all the Partners and /or by the Managing Partner. The emblem/ logo of the Firm shall be printed on the letterheads of the Firm and the said emblem/ logo of the Firm shall be duly applied for registration as a trademark, to the appropriate authority.

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25. DETERMINATION OF PARTNERSHIP:

On the determination of Partnership from whatever cause, the Partnership shall be wound up and the assets, movable as well as immovable, shall be distributed amongst the Partners in the profit sharing ratio mentioned hereinbefore or in any other manner as may be mutually agreed upon between the Partners at the time of dissolution.

26. PROVISIONS OF INDIAN PARTNERSHIP ACT:

That for all other matters not specifically mentioned in this Partnership deed, the provisions of Indian Partnership Act shall apply. IN WITNESS WHEREOF the parties herein have hereunto set their respective signatures on the day, month and year first herein above written.

Name of Partners Signatures

Partner 1 Mr. _____ (First Party)

Partner 2 Mr. _____ (Second Party)

Partner 3 Mr. _____ (Third Party)

Partner 4 Mr. _____ (Fourth Party)

WITNESS:

SIGNATURE 1.

SIGNATURE 2.