

Law Department, Andhra Pradesh

Template regarding Commercial Contracts

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(10) Deed of Partnership (Amendment/Alteration)

This Deed of Partnership is made at.....on thisday of 2016 by and between: Shri. A..... aged aboutyears, resident of (Hereinafter to be called the First Party) wherever the context so admit includes their heirs and successors; Shriaged aboutyears, resident of(Hereinafter to be called the Second Party) which expression unless repugnant to the context mean and includes their heirs and successors; Shriaged about years, son of Shri resident of (Hereinafter to be called the Third Party) which expression unless repugnant to the context mean and includes their heirs and successors; Shriaged aboutyears, resident of (Hereinafter to be called the Fourth Party) which expression unless repugnant to the context mean and includes their heirs and successors;

Whereas, the parties to this deed have been carrying on the business of under the name and style of M/s. with its principal place of business at on the terms and conditions incorporated in the Partnership Deed executed on.....;

AND WHEREAS, the parties to this deed have been carrying on the above said business in partnership on the terms and conditions orally and mutually agreed amongst themselves as aforesaid;

And Whereas, the parties to this deed desire that the terms and conditions on which they have been carrying on the above said business in partnership since and propose to continue in future be reduced to writing to avoid future difficulties or misunderstanding.

NOW, THEREFORE THIS DEED OF PARTNERSHIP WITNESSETH as under, incorporating the aforesaid amendment/ alteration in the terms and conditions of the partnership:

1. That the partnership business has been and shall continue to be carried on under the name and style of M/s.....
2. That the partnership business has been and shall continue to be that of with its principal place of business at..... The parties by mutual consent may carry on business at

Law Department, Andhra Pradesh

Template regarding Commercial Contracts

such other place or places, in such other name or names and of such other nature or natures, as they may deem fit and proper from time to time.

3. That the amount lying to the credit of the partners as on dated..... shall be deemed as their capital investment. Further capital, loans or deposits looking to the needs/requirements of the partnership firm shall be arranged, invested or contributed by the partners.

4. That interest at the rate of 18% per annum or as may be prescribed under section 40(b) (iv) of the Income-tax Act, 1961 or any other applicable provisions as may be in force in the income-tax assessment of the partnership firm for the relevant accounting period or at a lower rate as may be agreed to by and between the parties from time to time shall be paid to the partners or credited to the partners on the amount standing to the credit of the account of the partners. Such interest shall be considered as an expenditure of the firm and shall be debited to the Profit & Loss Account of the firm before arriving at the divisible profit or loss. The interest to persons other than partners shall be paid or credited to their accounts at the rate or rates as may be agreed to by and between the partners and such persons from time to time.

5. That Shri..... Shri and Shri the parties of the.....parts have agreed to keep themselves actively engaged in conducting the affairs of the business of the partnership firm. The said partners shall be working partners. It is hereby agreed to that in consideration of the said parties keeping themselves actively engaged in the business of the partnership firm and working as working partners, shall be entitled to remuneration on monthly basis/yearly basis. The remuneration payable to the said working partners shall be computed in the manner laid down or deduction under section 40(b)(v), read with Explanation 3 of the Income-tax Act, 1961 or any other applicable provision as may be in force in the income-tax assessment of the partnership firm for the relevant accounting year. Such amount of remuneration shall be distributed between the said working partners in the following proportion:

- a) Shri.....per cent of such amount
- b) Shri.....per cent of such amount
- c) Shri.....per cent of such amount

The partners shall be entitled to increase or reduce the above remuneration and may agree to pay remuneration to other working partner or partners as the case may be.

6. That the parties hereto shall be true and faithful to each other and shall not do or cause to be done anything which may be detrimental to the interest of the firm.

Law Department, Andhra Pradesh

Template regarding Commercial Contracts

7. That the parties shall keep or cause to be kept proper books of account and documents and shall make entries therein of all receipts, payments and other matters as is usually done and entered in the books of account kept by persons engaged in business similar to that of the firm. Each partner shall have a right to have access to and to inspect and take copy of the same.

8. That the partnership has been and shall be a partnership at will and can be dissolved as and when decided by the partners here to mutually.

9. That the net profit of the partnership firm after deduction of all expenses including rent, salaries, other establishment expenses, interest and remuneration payable to the partners in accordance with this deed of partnership or any supplementary deed as may be executed by the partners from time to time, shall be divided and distributed amongst the partners in the following proportion:

Sr. No. Name of Party Share in profits

- 1.
- 2.
- 3.
- 4.

The losses, if any, including loss of capital suffered in any year shall also be apportioned in the above said proportion.

10. That the bank account or accounts have been and shall be maintained in the name of the firm and shall be operated singly or jointly by the partners.

11. That the books of account shall be closed on 31st day of March each year. The net profit or loss after deducting all expenses, interest, remuneration, outgoings shall be divided between the parties in proportion to the sharing ratio referred to hereinabove.

12. That notwithstanding anything contained in the Indian Partnership Act it is hereby mutually agreed to by and between the parties that in case of death/retirement of any one or more partners, the firm shall not be dissolved but shall continue to be carried on by and between the surviving partners and legal heirs and/or representatives of the deceased partner, as a continuing concern, on the same terms and conditions as incorporated in this Deed or on such terms and conditions as may be agreed to by and between them from time to time.

Law Department, Andhra Pradesh

Template regarding Commercial Contracts

13. That with respect to any matter connected with the affairs of the firm, which is not specifically provided for herein, the partners may make such agreements therefor and may set in such manner with regard thereto as may be agreed upon by and between themselves.

14. That if the partners deem proper and in their interest, they may admit any other person or persons as partners on the terms and conditions as may be mutually agreed amongst themselves.

15. That the partners to this deed are partners in their individual capacity/representing HUF styled as M/s. The parties do not represent any other person.

16. All bonds, bills, notes, bills of exchange, hundies or promissory notes or other securities given on behalf of the partnership (except cheques) shall be signed, endorsed, accepted or executed jointly by all the partners and any bond, bill, note, bill of exchange, etc. to which any partner may be a party contrary to this provision shall be deemed to have been on the personal account of such partner and he shall pay and discharge the same out of his own moneys and indemnify other partners and the firm against payment thereof and against all actions, proceedings, costs, charges, expenses, claims and demands in respect thereof.

17. That the partners shall be entitled to modify the above terms relating to remuneration, interest, etc. payable to partners by executing a supplementary deed and such deed when executed shall have effect unless otherwise provided from the first day of accounting period in which such supplementary deed is executed and the same shall form part of this deed of partnership.

18. That all disputes and questions in connection with the partnership or this deed arising between the partners or between any one of them or their legal representatives and whether during or after the partnership, shall be referred to the arbitrator to be appointed with mutual consent of the partners, in accordance with the provisions of the Arbitration and Conciliation Act, 1996 then in force.

IN WITNESS WHEREOF the parties to this deed have set their hands on the day and year first above written and in the presence of:

First Party Second Party

Third Party Fourth Party

WITNESSES;

1.

Law Department, Andhra Pradesh
Template regarding Commercial Contracts

2.

TEMPLATE