

PARTNERSHIP DEED

This Deed of Partnership is made at Delhi on this 20th day of April 2016, between:

- (1) **Mr xxx S/o Sh. Xxx** aged about.... years, resident ofhereinafter called the Party of the First Part,

- (2) **Mr. Mr xxx S/o Sh. Xxx** aged about ... years, resident of hereinafter called the Party of the Second Part,

Whereas the Parties hereto have mutually decided to start the business of **Manufacturing, Trading, selling on E-marketing of Foot wear, artificial jewelry, Computer accessories, Mob accessories**, and different Category or any other business Partnership on such terms and conditions which are appearing here-in-after :-

NOW THIS DEED WITNESSETH AS UNDER:

- (1) That the business of partnership shall be carried on under the name ...**XXX** or any other name that may be found suitable by the partners.
- (2) That the business of the partnership shall be carried at **XXXXXXXXXXXXXXXX** or any other place as may be mutually agreed upon by the partners.
- (3) That the business of partnership shall be **Manufacturing, Trading, selling on E-marketing of Foot wear, artificial Jewelry, Computer accessories, Mob accessories**,and different Category or any other business as the partners may agree to carry on from time to time.
- (4) That this partnership shall be effective from the 20th day of April 2016
- (5) That the net profit of the partnership business after deduction of all expenses relating to business activities including salaries and other establishment expenses as well as interest and remuneration payable to the working partners in accordance with this deed of partnership shall be divided and

distributed amongst the partners on the close of accounting year in the following ratio:

- a) **Mr xxx - Party of the first Part** **50%**
- b) **Mr xxx- Party of the Second Part** **50%**

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

- (6) That the Partners contribute initially a capital Rs. 10,000 each. Further partners shall contribute capital according to the needs of the business as may be mutually agreed upon. Partners shall be entitled to receive interest on the capital invested or any other sum that may be introduced hereinafter in the partnership at the rate of 12% P.A. or as may be prescribed under section 40 (b) (iv) of the Income Tax

Act, or any other provision as may be applicable in the relevant accounting period. However, in case of loss or lower Income or otherwise, rate of interest can be lower than 12% or can be nil as may be mutually agreed to between the partners.

- (7) That both the partners are working partners and it is hereby agreed that each of them shall be entitled to annual remuneration of

- a) **Mr xxx - Party of the first Part** **30000**
- b) **Mr xxx - Party of the Second Part** **300000**

for being working partners. The aggregate of remuneration payable to the working partners shall, however, be proportionately restricted to an amount which shall be worked out as under:

- a) In respect of book profits of the firm up to Rs. 3,00,000/-, 90% of such profits.
- b) In respect of the book profits exceeding Rs. 3,00,000/-, 60% of such profits.

Provided, however, in case of the book profits not exceeding Rs.1,50,000/-, the whole of such profits may be payable as remuneration to the working partners

Provided further, that in case of the book profits exceeding Rs.1,50,000/-, the working partners may be paid a minimum aggregate remuneration of Rs. 1,50,000/-

Provided further, that in case of no book profits or in case of a loss, the partners may, if so mutually agreed upon by both partners of the firm, draw an aggregate remuneration of an amount not exceeding Rs. 1,50,000/-.

For the purposes of the above computation, "book profits" shall mean 'book profits'

as defined in Explanation 3 to Section 40(b) of the Income Tax Act, 1961, or any other relevant provision that may be applicable for the assessment of the partnership firm for the relevant accounting year.

- (5) That proper books of account shall be maintained by the partnership firm and entries of all such transactions and thing as are usually done shall be made therein. The said books of accounts and all letters, papers and documents belonging to the firm shall at all times be open to inspection by the partners who shall be entitled to take extracts and copies thereof.
- (6) That the final accounts of the partnership shall be taken on the 31st day of March each year during the continuance of the partnership business and all the assets and liabilities and profits and losses shall be worked out and the accounts of the partners shall be debited or credited accordingly.
- (7) That no partner shall without the consent in writing of the other partners sell, assign and mortgage or otherwise transfer his share of interest in the partnership business to any other person.
- (11) That no partner shall be responsible for the personal debts of the other partner.
- (12) That the partners shall be just and faithful to each other in all transactions and at all times be responsible to give the other a true and faithful account of the affairs of the partnership.
- (13) That the bank account of the partnership shall be operated under the individual signatures of any of the partners of the partnership herein constituted.
- (14) That any partner desiring to retire from the partnership business shall be required to give three months notice in writing to the other partner of his intention to retire. On dissolution of the firm the assets and liabilities shall be determined and the retiring partner shall be paid the share found to his credit.
- (15) That if any partner retires or dies, his legal heir/heirs may be taken as partner in the firm, if agreed to by the other partner.
- (16) That in case of any dispute or difference between the partners or their representatives about the interpretation of this deed, whether during

continuation of the partnership or at any time thereafter, the matter shall be referred to an arbitrator whose award shall be conclusive and binding on the partners.

In Witness whereof the parties have set their hands to this Deed of Partnership at the place and date written here-in-above.

PARTY OF THE FIRST PART _____

PARTY OF THE SECOND PART _____

WITNESSESS:

(1)

(2)