

# RECONSTITUTION OF PARTNERSHIP DEED

Indian Partnership Act 1932

This DEED OF PARTNERSHIP (RECONSTITUTED) is made at \_\_\_\_\_ (Name of Place) on this the \_\_\_\_\_ day of \_\_\_\_\_ month \_\_\_\_\_ year.

## BETWEEN

1) \_\_\_\_\_, son/daughter/wife of \_\_\_\_\_, \_\_\_\_\_ by religion, \_\_\_\_\_ by occupation, residing of \_\_\_\_\_ (Address with pin code, P.O, P.S and District), hereinafter called the "**FIRST PARTY**" (which expression shall mean and include unless excluded by or repugnant to the context his heirs, executors, \_\_\_\_\_ successors, administrators, legal representatives and assigns) of the "**FIRST PART**".

## AND

2) \_\_\_\_\_, son/daughter/wife of \_\_\_\_\_, \_\_\_\_\_ by religion, \_\_\_\_\_ by occupation, residing of \_\_\_\_\_ (Address with pin code, P.O, P.S and District), hereinafter called the "**SECOND PARTY**" (Which expression shall mean and include unless excluded by or repugnant to the context his \_\_\_\_\_ heirs, executors, successors, administrators, legal representatives and assigns) of the "**SECOND PART**".

## AND

3) \_\_\_\_\_, son/daughter/wife of \_\_\_\_\_, \_\_\_\_\_ by religion, \_\_\_\_\_ by occupation, \_\_\_\_\_ residing of \_\_\_\_\_ (Address with pin code, P.O, P.S and District), hereinafter called "**the THIRD PARTY**" (Which expression shall mean and include unless excluded by or repugnant to the context her heirs, \_\_\_\_\_ executors, successors, administrators, legal representatives and assigns) of the **THIRD PART**.

4) \_\_\_\_\_, son/daughter/wife of \_\_\_\_\_, \_\_\_\_\_ by religion, \_\_\_\_\_ by occupation, residing of \_\_\_\_\_ (Address with pin code, P.O, P.S and District), hereinafter called "**the FOURTH PARTY**" (which expression shall mean and include unless excluded by or repugnant to the context his heirs, executors, successors, administrators, legal representatives and assigns) of the **FOURTH PART**.

5) \_\_\_\_\_, son/daughter/wife of \_\_\_\_\_, \_\_\_\_\_ by religion, \_\_\_\_\_ by occupation, residing of \_\_\_\_\_ (Address with pin code, P.O, P.S and District), hereinafter called "**the FIFTY PARTY**" (which expression shall mean and include unless excluded by or repugnant to the context his heirs, executors, successors, administrators, legal representatives and assigns) of the **FIFTH PART**.

## AND

6) \_\_\_\_\_, son/daughter/wife of \_\_\_\_\_, \_\_\_\_\_ by religion, \_\_\_\_\_ by occupation, residing of \_\_\_\_\_ (Address with pin code, P.O, P.S and District), hereinafter called "**the SIXTH PARTY**" (which expression shall mean and include unless excluded by or repugnant to the context his heirs, executors, successors, administrators, legal representatives and assigns) of the **SIXTH PART**.

## AND

7) \_\_\_\_\_, son/daughter/wife of \_\_\_\_\_, \_\_\_\_\_ by religion, \_\_\_\_\_ by occupation, residing of \_\_\_\_\_ (Address with pin code, P.O, P.S and District), hereinafter called "the SEVENTH PARTY" (which expression shall mean and include unless excluded by or repugnant to the context his heirs, executors, successors, administrators, legal representatives and assigns) of the **SEVENTH PART.**

W H E R E A S the parties hereto have agreed to start and carry on the business of \_\_\_\_\_ a partnership under certain terms and conditions.

**A N D**

**W H E R E A S the Parties hereof desire that the terms and conditions so agreed amongst them be reduced in writing, in order to avoid any doubts, disputes or ambiguities thereabout in future.**

NOW THEREFORE, THIS DEED WITNESSETH AS UNDER :

**TERMS, CONDITIONS AND STIPULATIONS**

- 1) **NAME & PLACE** : That the partnership business shall be carried on under the name and style of "\_\_\_\_\_" (Name of Firm/Company), and the registered office of the firm shall be at \_\_\_\_\_ (Address with pin code, P.O, P.S and District) and the partners shall be at liberty to open Branch (es) at such \_\_\_\_\_ place (s) either in the name (s) of the firm or any other name (s) to be decided by the partners, from time to time.
  - 2) **NATURE OF BUSINESS**: That the firm shall undertake to carry on the business of \_\_\_\_\_ in the Govt. and Non-Govt. departments and also in any other \_\_\_\_\_ public and private sectors.
  - 3) **COMMENCEMENT & DURATION** : That the partnership business shall be deemed to have been commenced on and with effect from \_\_\_\_\_ (dd/mm/yyyy) and shall be continued for the period as may be decided by the parties hereof.
  - 4) **CAPITAL & INTEREST** : That the necessary capital as well as further funds required for the purpose (s) of the partnership business shall be contributed/arranged by the parties hereof and the amount so contributed towards capital shall carry simple interest at the rate of \_\_\_\_\_% p.a. or at such other rate as may be mutually agreed upon or as prescribed under Section- 40(b) of the Income Tax Act, 1961. such interest would, however, not be allowed, in the event of losses in the business.
- However, the partners, by their mutual consent, add, amend, alter, modify, reduce vary of cancel this clause, in any manner, as may be mutually decided between them from time to time or as required due to the change position of law.
- 5) **WITHDRAWALS** : That each partner shall be at liberty to withdraw moneys either monthly or otherwise out of the interest accrued/remuneration earned/profits accrued to such partner(s).
  - 6) **REMUNERATION** : That each partner shall be paid Rs. \_\_\_\_\_ (Rupees in word) only per month as Salary for services rendered to the partnership business.
  - 7) **MANAGEMENT** : That the partnership business shall be managed and supervised by all the parties hereof as working partners of the firm and they shall do all the acts for the firm which shall be binding upon all the partners.
  - 8) **SHARES** : That the net profits/losses of the partnership firm as per accounts maintained by the firm, after deducting all expenses relating to the business of the partnership as well as interest and remuneration payable to the partners in accordance with the provisions of this Deed, shall be divided and distributed among the partners in equal share, at the close of the accounting year.
  - 9) **ACCOUNTS & ACCOUNTING YEAR** : That the Accounting year of this firm shall be the "Financial Year" ending on 31st March in every year and all necessary, usual and proper books of account, in respect of this partnership business, shall be maintained at the principal place of the firm and each partner shall be entitled to have access to such books of account.

10) THAT ALL THE PARTNERS SHALL:

- (a) Carry on the partnership business to the greatest common advantage.
- (b) be just and faithful to one another and render true account and full information of all the things affecting the partnership to one another.
- (c) be liable for their separate and private liabilities and the said partnership business will not be responsible for the personal liabilities and debts of the partners.

11) RIGHT & DUTIES:

(a) That the Sixth and Seventh Party hereto shall be entitled :-

- (i) To open and operate Bank Account/Accounts with scheduled / non- scheduled Bank's and to secure overdraft, loans from such bank's or other Financial Institutions (Central/State/Local) against security of partnership on such terms and conditions as deemed proper and to sign all papers, documents etc. in connection herewith
- (ii) Borrow money and raise loans.
- (iii) to enter into contracts with any person's for carrying out the partnership business.
- (iv) to sign, draw, accept, negotiate, pay, satisfy or receive any Bills or Exchange, Hundis, Promissory Notes, Cheques, Orders for payments or delivery of money, security of goods, Bill of Lading or other negotiable/mercantile instruments and to execute any other document's relating to business for and on behalf of the firm in the usual course of business.

12) BANKING ACCOUNTS: That the Bank Account/Accounts shall be operated under the joint signatures of the Sixth and Seventh Party only.

13) RESTRICTIVE CLAUSE: That the parties hereof shall not be entitled to do any of the followings:-

- a) Be either directly or indirectly engaged or interested in any trade or business competing with the business of this partnership.
- b) Lend any money or deliver on credit any goods belonging to or otherwise give credit on behalf of the partnership or speculate in the funds of the partnership.
- c) Give any security of undertaking for payment of money on account of the partnership.
- d) Compromise or relinquish any claim or portion of a claim by the firm.
- e) Enter into the partnership on behalf of the firm.
- f) Refer to arbitration any dispute in which the partnership is concerned with a Third Party, whether or not a suit in court has been instituted for the same.

14) RETIREMENT: That either of the partners shall and/or may retire from the firm by giving at least 1(One) month notice to the other partner/partners. Such retirement, death, lunacy and insolvency of a partner shall not operate as dissolution of the firm.

15) ARBITRATION: That all the disputes relating to this partnership business between the partners or their representatives, if cannot be settled mutually, the same shall be referred to the Arbitration and entire proceeding thereof shall be governed as per provisions of the Arbitrations and Conciliation Act-1996.

16) JURISDICTION: That the jurisdiction of all Civil/Criminal disputes relating to the partnership business between the partners or their legal representatives shall be at the courts of \_\_\_\_\_ (Name of Place) only.

17) PARTNERSHIP ACT: That it is hereby provided that if any of the terms and conditions of this Partnership Deed, in repugnant or derogatory to the Provisions of India Partnership Act, 1932, then the provisions of the Indian Partnership Act, 1932 shall always prevail.

18) POWER TO VARY TERMS: That any of the terms and conditions of this Partnership Deed can be altered/modified/varied/added/cancelled at any time, with the mutual consent of both the partners either expressed in writing or implied from their conduct.

IN WITNESS WHEREOF, the parties hereto have set and subscribed their hands to this Deed on the day, month and year, first abovementioned.

WITNESSES :

1. \_\_\_\_\_  
Name of First Partner

2. \_\_\_\_\_  
Name of Second Partner

\_\_\_\_\_  
Name of Third Partner

\_\_\_\_\_  
Name of Forth Partner

\_\_\_\_\_  
Name of Fifth Partner

\_\_\_\_\_  
Name of Sixth Partner

\_\_\_\_\_  
Name of Seventh Partner

Drafted, explained and printed in my office:

Advocate/ \_\_\_\_\_ (Name of Place)