

DEED OF PARTNERSHIP

This Deed of Partnership is executed on ____th day of _____, 2020 between, Mr. _____, S/o _____, R/o _____ of the first part (hereinafter called the first party) And Mr. _____ S/o _____, R/o _____ of the second part (hereinafter called the second party).

NOW THIS DEED OF PARTNERSHIP WITNESSETH AS UNDER :-

1. That the name and style of the partnership firm shall be "**M/s**".
2. That the Deed of Partnership shall be deemed to have effective **w.e.f./....../2020.**
3. That the Registered Office of the partnership firm shall be situated at
....., Uttar Pradesh or at any other such place or places as the partners may decided from time to time.
4. That the nature of the business of the partnership firm shall be carrying on trading of `.....
.....
..... ` etc.

5. That the business of partnership shall be "AT WILL".
6. That the Bank Account or Accounts of the partnership firm shall be opened and operated by either of the partners as may be decided mutually by them.
7. That the firm can raise loan from the markets or from any other source & interest and other charges thereon shall be borne by it.
8. 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 therefore and may set in such manner with regard thereto as may be agreed upon by and between themselves.
9. That the Books of Accounts of partnership firm shall be closed on 31st March 2020 in the first instant and on the 31st March in subsequent years.
10. That both the partners shall devote their full time, energies and attention to the affairs of the firm. The firm's activities shall at all times be carried out by all the partners collectively with division of duties as they might mutually agree upon from time to time.

11. 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.
12. That the partners may mutually decide for conversion of the firm into Limited Liability Partnership or a Private Limited company in the future.
13. It is mutually agreed by and between the parties that, partners shall be entitled simple Interest @ **12 % p. a.** or such other rate/s as specified in section 40 (b) of the Income Tax Act, 1961, of the amount outstanding in the credit balance of Capital Account/Loan Account of the Partners. If there is debit balance in the Capital Account of any Partners, Interest at the above rate shall be payable by him. Interest shall be calculated on the daily product basis & credited / debited to their respective account at the end of every half year.
14. The remuneration payable to the aforesaid working partner shall be mutually agreed to by and between the partners, subject to maximum ceiling of the aggregate of the following or such other ceiling as specified in section 40 (b) of the Income Tax Act, 1961,

The aggregate yearly remuneration shall be subject to following schedule(under the provision of Sec.40b of the Income Tax Act ,1961):-

In respect of first 300000/- of the book Profit	Rs.150000/- or 90% of Book
Profit whichever is higher	

on the balance of the Book Profit at the rate of 60%

Remuneration shall be distributed to the partners in the equal ratio.

That for the purposes of the above calculation, the book profit shall be calculated on the basis of book profit as shown by the books and computed as provided in section 28 to section 44-A Chapter IV-D of the Income Tax Act without deducting the remuneration paid or payable to the partners for the relevant accounting year

The remuneration may be payable to fix basis and on monthly basis subject to maximum mentioned in previous para and in accordance to provision of Section 40b of the Income Tax Act.

Explanation: For the purpose of this clause the expression " Book Profit " shall mean the " Book Profit as defined in Section 40(b) of Income tax Act, 1961 or any statutory or re-enactment for the time being in force.

15. That the partners may change the clause regarding remuneration & Interest by a separate agreement, which will form the part of this Deed.

16. That in the event of death of any party to this deed, the entire rights and privileges enjoyed by such partner shall automatically be vested with his legal heirs or heirs and/or successor or successors as the case may be.

17. That the profit and losses of the partnership firm shall be computed after providing interest on capital contribution and salary to partners calculated according to this Deed of Partnership.

18. That the Profit or losses arrived as per above clauses of this deed of partnership shall be divided between the partners in the following ratio :-

Mr. _____	-	50%
Mr. _____	-	50%

19. That any provisions not covered by this deed of partnership shall be governed by the Indian Partnership Act, 1932.

In witness whereof the above named parties set their respective hands on these presents on the day, month and the year mentioned above.

Witnesses

1.

2.

Partners

1. (_____)

2. (_____)