**Deed of Partnership for Admitting a Minor to the benefits of Partnership**

THIS DEED OF PARTNERSHIP made at \_\_\_\_\_\_\_\_\_\_\_\_ on the \_\_\_\_\_\_\_\_\_\_\_\_ day of 20\_\_\_ BETWEEN:

1. ABC of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Indian Inhabitant, having address at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (which expression shall, unless it be repugnant to the context or meaning thereof, shall be deemed to mean and include his legal heirs, executors, administrators, legal representatives and assigns) hereinafter called the Party of the **FIRST PART**
2. DEF of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Indian Inhabitant, having address at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (which expression shall, unless it be repugnant to the context or meaning thereof, shall be deemed to mean and include his legal heirs, executors, administrators, legal representatives and assigns) hereinafter called the Party of the **SECOND PART**, and
3. GHI of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Indian Inhabitant, a minor born on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , by the hands of his father and natural guardian \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ having address at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (which expression shall, unless it be repugnant to the context or meaning thereof, shall be deemed to mean and include his legal heirs, executors, administrators, legal representatives and assigns) hereinafter called the Party of the **THIRD PART**;

WHEREAS:—

1. The parties hereto of the First and Second Part (hereinafter collectively referred to as “Partners” and individually as “Partner”) have been carrying on business in partnership in the firm name and style of Messrs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ under the Deed of Partnership dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and upon the terms and conditions recorded therein.
2. The parties hereto of the First and Second Parts are desirous of admitting the party of the Third Part (hereinafter referred to as **“the said Minor”**) to the benefits of the said Partnership firm of Messrs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ upon the terms and conditions recorded hereinafter.

IT IS HEREBY AGREED AND RECORDED BY AND BETWEEN THE PARTIES AS UNDER:—

* 1. The Party of the Third Part is hereby admitted to the benefits of the said partnership firm of Messrs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with effect from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ upon the terms and conditions recorded herein. The reference to partnership hereinafter shall be the reference to the newly constituted partnership.
  2. The Partnership shall commence (or shall be deemed to have commenced) on the \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_ 20\_\_\_.
  3. The name of the firm shall continue to be “Messrs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_”.
  4. The Partnership shall be “at Will”.
  5. The business of the Partnership shall be carried on at such other place or places as the partners may from time to time agree upon.
  6. The business of the partnership shall be that of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or such other business as the partners may from time to time decide and agree upon.
  7. The accounting year of the partnership shall be from the 1st day of April to 31st day of March of the following year.
  8. The Bankers of the Partnership shall be such bank or banks as the partners may from time to time agree upon and such bank account or accounts shall be operated by such partners or partner as the parties hereto may from time to time agree upon.
  9. The capital of the partnership shall be the sum of Rs. \_\_\_\_\_\_\_\_\_\_\_\_ /- and shall be provided by the partners in their profit and loss sharing ratio. If at any time hereafter any further capital is required for the purpose of the partnership the same shall, unless otherwise agreed, be contributed by the partners in the same ratio. The said Minor shall not be required to contribute any amount towards the capital. The partners shall be entitled to interest on the capital brought in by them.
  10. Simple interest at the rate of 12% per annum or at such other rate as may be mutually agreed upon or at rate not exceeding the rate as may be prescribed by the Income Tax Act in Section 10(b) or such other statutory modifications or re-enactment thereof as may be in force from time to time, shall be payable on the amounts standing to the credit of Capital Account, Loan Accounts or Current Accounts of the Partners, from time to time, with effect from \_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_.
  11. SHRI \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the party of the First Part and SHRI \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the party of the Second Part (hereinafter referred to as Working Partners) shall devote such time and attention in the conduct of the Partnership business as the circumstances and the business needs may require. In consideration thereof the Working Partners every year shall be entitled to the remuneration as hereinafter mentioned. No fixed remuneration shall be paid. However, it shall be in accordance with the provisions of the Income Tax Act, 1961. The aggregate remuneration payable to the working Partners every year shall be in the following ratio:-

In case of a firm carrying on any profession as referred to in Section 44AA or the firm which is notified for the purpose of that section:-

1. On the first Rs. 1,00,000/- of the book-profit or in case of a loss Rs. 50,000/- or at the rate of 90 percent of the book profit, whichever is more
2. On the next Rs. 1,00,000/- of the book-profit at the rate of 60 percent
3. On the balance of the book profit At the rate of 40 percent

OR

In the case of any other firm:-

1. On the first Rs. 75,000/- of the book-profit or in case of a loss Rs. 50,000/- or at the rate of 90 percent of the book profit, whichever is more
2. On the next Rs. 75,000/- of the book-profit at the rate of 60 percent
3. On the balance of the book profit At the rate of 40 percent
   1. That the Remuneration and/or interest payable as above shall be a charge on the Profit & Loss Account.
   2. The share of the Partners and the said Minor in the profits of the partnership, remaining after payment of interest on Partners’ Capital/Current/Loan account and remuneration to the working Partner/s, shall be as follows:-

|  |  |  |
| --- | --- | --- |
|  | **NAMES** | **Percentage** |
| (a) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| (b) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| (c) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
|  | Total | 100% |

The Party of the third Part, being the minor, shall not be liable for any losses.  The share of the Partners in the loss shall be as follows:-

|  |  |  |
| --- | --- | --- |
|  | **NAMES** | **Percentage** |
| (a) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
| (b) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_ |
|  | Total | 100% |

* 1. The said Minor upon attaining the age of majority shall have a right to become a Partner in the present Partnership and upon his exercising the option for the same, will be admitted to the Partnership as a Partner. The said Minor upon his attaining age of majority shall also have an option to elect not to become a partner in the present partnership and to require the partners to make up the accounts as on the date of his attaining majority and to pay to him the amount standing to his capital account. The said Minor will be attaining the age of majority on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
  2. Proper books of account shall be maintained as are usually maintained in the trade and business of similar nature and shall be maintained properly posted up and kept at the principal place of business of the partnership or such other office of the partnership as may be agreed upon and each of the partners hereto shall be entitled to have an inspection of the said books of account and to copy or extracts therefrom.
  3. As soon as practicable after end of every accounting year, during the continuance of the partnership, a general account and valuation up to the end of every accounting year shall be taken and made up.
  4. Each partner shall:
     1. Devote his whole time and attention to the Partnership business (except during holidays);
     2. Punctually pay and discharge his separate debts and engagements and indemnify the other partners and the partnership assets against the same and all proceedings, cost, claims or demands in respect thereof;
     3. Be just and faithful to the other partners in all transactions relating to the partnership business and at all times give to the others a true account of all such dealings.
  5. None of the partners shall without the consent of the other Partners:-

1. Engage or be concerned or interested either directly or indirectly in any other similar business or occupation;
2. Engage, make any contract with or dismiss any employee;
3. Forgo the whole or any part of any debt or sum due to the partners;
4. Except in the ordinary course of trade dispose of by loan, pledge, sale or otherwise of any part of the partnership property;
5. Become bail guarantor or surety for any person or do or knowingly suffer anything whereby the partnership property may be endangered;
6. Assign or charge their interest in the firm; or
7. Draw or accept or endorse any bill of exchange or promissory note on account of the partnership.
   1. If any partner desires to retire from the partnership he/she may do so after giving three months clear notice in writing to other partners.
   2. Death of any of the partners hereto shall not dissolve the partnership but the legal representatives of the deceased partner shall be taken up as a partner in place and stead of the deceased partner.
   3. The rights, powers, duties and obligations of the parties (partners) hereto shall be governed by The Indian Partnership Act, 1932 or such other statutory modifications or re-enactment thereof.
   4. That the parties hereto shall give due intimation of the change to the Registrar of Firms as required by the Indian Partnership Act and sign the papers necessary thereof.
   5. If any dispute arises between the parties hereto in respect of the partnership, the same shall be referred to the Arbitration under The Arbitration and Conciliation Act, 1996 or the Arbitration Act as may be in force. The Arbitration shall be held at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ alone and the proceedings of Arbitration shall be conducted in English language.
   6. For the purposes, the Courts at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ alone shall have jurisdiction to try and entertain all disputes between the parties hereto including all actions arising from the Arbitration.

IN WITNESS WHEREOF the parties hereto have hereunto set and subscribed their respective hands the day and year first hereinabove written.

 SIGNED AND DELIVERED by the within named,

ABC, the Party of the First Part,

In the presence of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNED AND DELIVERED by the within named,

DEF, the Party of the Second Part,

In the presence of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNED AND DELIVERED by the within named,

GHI, a minor by the hands of his father and natural guardian, the Party of the Third Part,

In the presence of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_