

RECONSTITUTION OF PARTNERSHIP DEED

Note: This is only a draft format and not a format prescribed under any law. This format can be used with modifications suiting to your requirements wherever it is necessary. In case of doubt regarding payment of Stamp duty and Registration fee etc. contact the concerned Sub-Registrar / District Registrar.

RECONSTITUTION OF PARTNERSHIP DEED

This deed of partnership made and executed on this the day of
. at Bangalore By and Between:

1. Hereinafter referred to as the first party.
2. Hereinafter referred to as the second party/retiring partner.
3. hereinafter referred to as the third party/retiring partner.
4. hereinafter referred to as the fourth party/incoming partner.

(The terms first, second, third and fourth parties shall wherever the context to request mean and include their respective heirs, legal representatives, administrators, executors and assigns) of the each part shall witnesseth:

Whereas the parties 1 to 3 herein have been carrying on business as partners of the firm under the name and style of
. The parties 2 to 3 herein have expressed their desire to retire from the firm and the fourth party herein as offered to come in as a partner to continue the business of
Upon the parties 2 and 3 herein offering to retire from the firm the accounts of the firm have been drawn.

Whereas the party of the third part has lent substantial amount of money to the firm to meet the exigencies of the business apart from contributing to the capital of the firm. The parties 1 and 4 herein have decided to continue the business in the same products in which the firm was dealing and to take over the liabilities of the firm, all the assets together with goodwill and name. Hence this re-constitution deed.

NOW THEREFORE THIS DEED OF PARTNERSHIP SHALL WITNESSETH:

1. Name of the Firm:

2. Place :

3. PURPOSE:

Manufacture and sale of electrical varnishes of all grades, polymers resins and such other products which may be decided by the partners from time to time. To engage in trading activities in dyes, chemicals pigments etc.,...

4. DURATION OF PARTNERSHIP:

The duration of partnership will be AT WILL. However, it shall not be dissolved for atleast five years or with the consent of both continuing partners.

5. CAPITAL:

First and fourth parties herein who will be contributing Rs... each towards the share capital.

6. SHARING RATIO:

50:50 each between two partners out of the profits and losses.

7. BANK ACCOUNT:

The firm shall have in its name such Bank Accounts as may be necessary with any Bank, wither schedule, Co-Operative or Nationalised Bank and the Bank Accounts shall be operated by the Managing Partner.

8. MANAGEMENT:

Sri. the first party herein shall be the managing partner of the firm he shall carry on day to day affairs of the firm in the best interest of the partners with the assistance of the other partner. Matters relating to line of business, finances, place of business, salaries, appointments etc., shall be decided from time to time by the managing partner.

9. FURTHER INVESTMENT:

In case of necessity the partners have agreed to invest money for effectively running the unit. Such additional investment shall be treated as loan and such lending partner will be entitled to 18% p.a. interest on such amount.

10. In case of death, insolvency, lunacy or retirement of any one of the partner of the firm, the firm shall not automatically get dissolved. The

surviving partner will be entitled to continue the firm either by taking new partners or without inducting anybody.

11. BORROWINGS:

The partners may, by mutual consent, borrow the funds from any bank, society, co-operative Bank, financial institution or individuals for the purpose of running the business and in such cases all the partners will jointly and severally be responsible for the repayment of loans or credit facilities availed by the firm. No partner will be entitled to borrow money in the name of the firm individually and all security documents shall be signed both partners.

12. REMUNERATION:

The partners will be entitled to draw a sum of Rs. each for the services rendered by them to the firm and the same shall be subject to revision by mutual consent depending on the financial position of the firm. However, if the firm is not in a position to repay the loan or instalments to the creditors from out of the income of the firm the partners will not draw their salaries.

13. The partners will not be entitled to withdraw the capital contributed by them till such time the loans contracted by the firm is fully discharged.

14. The Books of Accounts of the firm shall be maintained by the managing partner with the assistance of such staff, employees or agent as may be appointed by the firm. The second partner and managing partner will be entitled to sign all the bills, vouchers and other papers required to be signed in daily transaction to carry on smooth business.

15. No partner shall contract any loan individually or incur liability without written concurrence of the other partner and if any such commitment is made contrary to the above only such partner making commitment will answer the same.

16. APPOINTMENTS:

All appointments of consultants, staff, employees, agents, dealers, tax consultants, auditors, advocates etc., shall be made by mutual consultation between the partners.

17. The Managing partner shall maintain proper books of accounts regularly and the same shall be kept in its registered office or at the factory which shall be made available for inspection by the other partner at all times. The account books so maintained by the firm shall be got audited every year by qualified auditors.

18. FINANCIAL YEAR:

The financial year of the firm shall be from of each year ending with of succeeding year.

19. No partner will be entitled to retire from the firm without giving atleast one month notice in advance, to the other and without obtaining prior permission from the Bank or financial institution with whom the firm will have transactions.

20. No. partner will be entitled to transfer, assign or charge his/her interest or share in the firm to a third party without prior consent of the other partner and also without prior permission of the Bank.

21. Since second and third parties herein have retired from the firm w.e.f. today, have drawn up the accounts till date and that the retiring partners have no dispute or claim either against the firm or the continuing partners.

22. No partner shall engage himself/herself in any activity or business which is similar identical with the business and activity of the firm either directly or indirectly to affect the interests of the firm adversely.

23. The firm shall sue and be sued in the name of the firm only and managing partner shall represent the firm in such matters before the courts of law by signing such papers as may be required to be signed and verified for being presented in the courts, arbitrators or such other authority.

24. The properties acquired and transactions carried on by the firm shall be in the name of the firm and all assets, liabilities goodwill etc., that have been acquired as on date will continue to be the assets of the firm.

25. The partners shall sincerely do their respective jobs which is necessary in the best interest of the firm so as to run the same smoothly and profitably to the best advantage of all the partners. If any partner were to deliberately cause loss to the firm or is acting prejudicial to the interest of the firm such a partner shall make good the same to the other partner and such partner shall be removed from the partnership.

26. In respect of all the matters for which there is no specific clause provided herein, the parties herein, will be governed by provisions of the Indian partnership Act 1932 and any amendments thereto from time to time.

**IN WITNES WHEREOF THE PARTIES HERETO HAVE SER THEIR
RESPECTIVE HANDS TO THIS PARTNERSHIP DEED ON THE DATE
AND PLACE MENTIONED HEREINABOVE IN PRESENCE OF THE
FOLLOWING WITNESSES:**

WITNESSES:

1.

PARTNERS:

2.