

**To be executed on non-judicial stamp paper of Rs.50/- (minimum)**

**DEED OF PARTNERSHIP**

**THIS INDENTURE** made this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_

**B E T W E E N**

1. SHRI/SMT. .... (M/.....) son/daughter/wife of  
..... holding Certificate of Practice issued by The Institute of  
Cost and Works Accountants of India residing at .....  
hereinafter referred to as the "Party of the First Part",
2. SHRI/SMT. .... (M/.....) son/daughter/wife of  
..... holding Certificate of Practice issued by The Institute of  
Cost and Works Accountants of India residing at .....  
hereinafter referred to as the "Party of the Second Part",
3. SHRI/SMT. .... (M/.....) son/daughter/wife of  
..... holding Certificate of Practice issued by The Institute of  
Cost and Works Accountants of India residing at .....  
hereinafter referred to as the "Party of the Third Part",

4.

(The expression the party of the First Part, the party of the Second Part and the party of the Third Part unless they are repugnant to the context or meaning thereof, mean and include their respective heirs executors, administrators and assigns.)

**THAT** ALL the parties hereto being the parties of the First Part, Second Part and Third Part have agreed to practice as Cost Accountants in Partnership with each other on the terms and conditions contained herein, and the parties hereto have desired to put in writing the terms and conditions of their said partnership.

**NOW THIS INDENTURE WITNESSETH** and it is hereby covenanted and finalised by and between the parties as follows:

1. The Partnership business/profession shall be carried on under the name and style of \_\_\_\_\_ presently from [*address of head office*] as the Head Office of the Firm and/or at any other place/s as will be decided mutually by the parties hereto and/or to open its branches at any other place or places and/or form associateship with any other Cost Accountant/s or other firm of Cost Accountants subject to the approval of the Council of ICWAI.
2. The Partnership shall be deemed to have commenced on and from the day approval is received from the Council of The Institute of Cost and Works Accountants of India as per the provisions of Regulation 113 of The Cost and Works Accountants Regulations 1959.
3. The business/profession of Partnership shall be all those activities that can be carried on by a Cost Accountant within the meaning of the Cost and Works Accountants Act, 1959.
4. The Partners will be/will not be allowed to continue with their independent practice. (Optional Clause)
5. The Net Profit or Loss of the Partnership business/profession as arrived at after adjustment of salary, bonus, commission and interest to the partners, shall be divided between the parties as follows:

a) \_\_\_\_\_*Name of the First Part*\_\_\_\_\_ :        %

b) \_\_\_\_\_*Name of the Second Part*\_\_\_\_\_ :        %

c) \_\_\_\_\_ *Name of the Third Part* \_\_\_\_\_ : \_\_\_\_\_ %

6. The partners shall be entitled to increase or reduce the above profit sharing ratio and may agree to pay remuneration to the partner or partners. The parties hereto may also agree to revise the mode of calculating the remuneration and decide to pay salary and grant the benefit of house rent allowance, medical expenses, accident and/or Life Insurance Policy Premium, Provident fund, gratuity, bonus, commission and/or other benefits to the above and/or the other partner or partners either on monthly or yearly basis as they may mutually agree upon.
7. The partners shall be entitled to modify the above terms relating to remuneration, interest etc., payable to the partners by executing a supplementary deed, subject to the approval of the Council of the Institute and any such deed when executed shall have effect, unless otherwise provided, from the first day of the accounting period in which such supplementary deed is executed and the same shall form part of this deed of partnership.
8. The accounting year of the Partnership shall be the year ending on the last day of March every year. The Final Accounts as will be drawn up at the close of the year shall be countersigned by all the parties hereto as a token of acceptance.
9. Bank Account or Accounts shall be opened in the name of the Partnership Firm. All account/s shall be operated upon by either of the parties/jointly by any two parties hereto/jointly by party of the First Part and any other party hereto. All moneys or negotiable instruments received from and on behalf and/or on account of the Partnership business/profession shall be paid/deposited into such banking account or accounts in the name of the Partnership.

10. Proper books of accounts shall be maintained by the Parties hereto in which all the transactions relating to the partnership business shall be entered into and recorded and such books together with all documents, letters, vouchers of and belonging to the partnership shall be kept at the place of business of the partnership or at such other place or places as the parties hereto may from time to time mutually decide in writing. Each partner shall have full and free right and liberty to inspect such books of accounts, documents, letters, vouchers and of making extracts or copies therefrom.
11. The partners may contribute capital as and when considered necessary and expedient for the purpose of carrying on the business/profession and the same shall carry interest at .....% (..... Percent) per annum or such other rate as may mutually be agreed upon by the parties hereto from time to time. The partners hereto shall be entitled to draw out in advance, against their drawing accounts of such sums from time to time as may be mutually agreed upon and on taking account for the year, the excess, if any, drawn by any partner over his share of the profits shall be refunded to the firm within a period of \_\_\_\_\_ or be treated as loan to him which shall carry interest at .....% (..... Percent) per annum or any other rate mutually agreed upon.
12. That all the parties hereof shall be the working partners and take active part in the day-to-day conduct of the business of the firm/Party of the \_\_\_\_ Part, \_\_\_\_ Part (etc.) shall be the working partners and take active part in the day-to-day conduct of the business of the firm.
13. Party of the \_\_\_\_\_ Part(s) shall be entitled to a salary of Rs. \_\_\_\_\_ per month. The parties hereof shall also be entitled to bonus and commission at a rate as will be mutually determined and fixed by the parties hereof at the close of the year. Besides, the parties hereof will be entitled also to draw interest on capital at a percentage not exceeding \_\_\_\_% per annum. That in no case the aggregate salary, bonus and commission per year shall exceed the

limit as fixed by the Income Tax Act, 1961 as amended from time to time. That the quantum of salary can be increased or reduced to a sum as will mutually be decided by the parties hereof. Any drawings by the parties hereof as salary, bonus or commission in excess of the permissible limit as fixed by the Income Tax Act, 1961, from time to time, such amount/s shall be refunded to and/adjusted in the accounts at the close of the year and will be debited to their respective capital account/s as will be mutually be agreed by the partners, the parties hereof.

14. THAT THE PARTNERSHIP shall be AT WILL.
15. IF ANY partner is desirous of retiring from the said Partnership he shall be entitled to do so by giving \_\_\_\_ months' notice in writing to the other Partners of his intention to retire and on expiration of \_\_\_\_ months from the date of such notice, he shall cease to be a partner and his interest in the Partnership shall cease on and from that date. Immediately on receipt of the aforesaid notice his accounts including Goodwill shall be drawn upon and settled forthwith.
16. The retiring partner will handover the property of the Partnership under his possession and/or any other books/documents etc. belonging to the Partnership or any of its clients to the remaining Partners upon due receipt forthwith and the Partnership Firm shall also issue to the retiring Partner a "no claim receipt" to this effect. On retirement, a retiring Partner shall not in any way interfere with the business of the Partnership.
17. The death, insolvency or lunacy of any partner shall not automatically dissolve the Partnership.
18. Death or Insolvency of any partner shall not dissolve the Firm but at the happening of such contingency arising in the case of parties hereto, such partner shall be deemed to have retired from the partnership as on the date of such contingency and his heir shall be paid by or shall pay to the Firm the

amount due as if such partner has retired on the date of such contingency. In the case of such contingency even sole surviving partner shall carry on business for a maximum period of 60 days within which either the business is discontinued or new partner is taken and his inclusion is approved by appropriate authorities.

19. Each partner shall be entitled to draw against his share of profit the amount agreed to between the partners.
20. The parties hereto may admit a new partner or partners only with the consent of all the existing partners in writing and on such terms and conditions as may be mutually agreed upon subject to the approval of the Council of ICWAI.
21. No partner or the Partnership firm shall be liable and/or responsible for the personal debt and/or liabilities of any other partner or partners.
22. Each Partner shall :
  - 22.1 Punctually pay his personal and separate debts and indemnify the other partners and the assets of the partnership against the same and pay all expenses on account thereof;
  - 22.2 Forthwith pay all moneys, cheques, negotiable instruments received by him on account of the Partnership into the Partnership Bank Account or Accounts;
  - 22.3 Be just and faithful to others and at all times give to each other full information and truthful explanations of all transactions relating to the Partnership business;
  - 22.4 At all times give to the others a just and faithful account of the same and also upon every reasonable request furnish a full and correct explanation thereof;

- 22.5 Afford every assistance and co-operation in his power and to use his best skill and endeavour in the conduct, promotion and execution of the Partnership business/profession for their mutual advantage and benefit; and,
- 22.6 No partner shall divulge any information of the partnership or of its clients to any outsiders.
23. In respect of matters not specifically provided herein, the Partnership shall be governed by the provisions of the Indian Partnership Act, 1932.
24. No partner shall, without the previous consent of all the existing Partners in writing, become a partner of any other firm of Cost Accountants and/or any other firm and/or person or persons carrying on a similar and/or competitive business/profession. (Optional Clause)
25. Any dispute or difference arising between the parties hereto in relation to the affairs of the Partnership Firm or in regard to construction of any clause hereof in relation to the rights, duties and obligations of the parties hereto shall be referred to the arbitration of Sri \_\_\_\_\_ son of \_\_\_\_\_ residing at \_\_\_\_\_ who shall enter upon the reference and decide the matter and award given by such arbitration shall be final and binding on the parties hereto subject to the provisions of the Arbitration and Conciliation Act 1996.
26. It is hereby declared that all the partners are fully engaged in the practice of profession of Cost Accountancy and engaged in no other occupation/salaried employment.

**IN WITNESSETH WHEREOF** the parties to the above presents have hereunto set and subscribed their respective signatures and seals on the day, month and year first hereinabove written.

***SIGNED, SEALED & DELIVERED by the***

*within named Party of the First Part  
SHRI/SMT.*

\_\_\_\_\_*Signature*\_\_\_\_\_

*SIGNED, SEALED & DELIVERED by the  
within named Party of the Second Part  
SHRI/SMT.*

\_\_\_\_\_*Signature*\_\_\_\_\_

*SIGNED, SEALED & DELIVERED by the  
within named Party of the Third Part  
SHRI/SMT.*

\_\_\_\_\_*Signature*\_\_\_\_\_

In the presence of :

1. Shri/Smt.  
Address

\_\_\_\_\_*Signature*\_\_\_\_\_

2. Shri/Smt.  
Address

\_\_\_\_\_*Signature*\_\_\_\_\_