

PARTNERSHIP AGREEMENT FOR A SINGLE VENTURE

THIS DEED OF PARTNERSHIP made at ... on this ... day of... between Mr. A residing at ... hereinafter referred to as the 'Party of the First Part' and Mr. B, residing at ... hereinafter referred to as the 'Party of the Second Part.'

WHEREAS the Party of the First Part who is a qualified Engineer and Contractor has almost secured a big contract of constructing a bridge and as he is not in a position to bring in all requisite finance. he has requested the party of the Second Part to join him in partnership with a view to carry out and complete the said contract.

AND WHEREAS the Party of the Second Part has agreed to do so and the parties have agreed to enter into this partnership on the terms and conditions herein after mentioned.

NOW IT IS AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

- (1) The parties hereto agree to carry on the business hereinafter mentioned in partnership on the terms and conditions herein mentioned, in the name and style of M/s.
- (2) The partnership shall be deemed to have commenced from the ... day of... .., 2000 and the period of the partnership shall be co-terminus with the completion of the said single business or adventure.
- (3) The business of the partnership (hereinafter referred to as the 'Firm') shall consist of carrying out and completing the work of construction of the bridge over the river at In terms of the contract to be entered into with the Government of
- (4) The office of the partnership shall be at
- (5) The Parties have contributed towards the initial capital of the firm a sum of Rs. ... In equal ... shares. The party of the Second Part will contribute such further amounts as may be required from time to time for carrying out the said work and

the amounts will be treated as a loan by him to the Firm carrying Interest at the rate of 18 per cent per annum.

- (6) The net profits and losses of the firm will be shared by the partners hereto in equal shares or proportion. Net profit will mean the gross profits earned in such year less the expenses of the management of the business including the rent of the premises of the firm. the outgoings in respect of the salaries and wages. of the staff. commission paid to others. interest payable on the amounts advanced by the Party of the Second Part and by other creditors if any and all other expenses incurred In connection with the business and allowable as deduction under the Income Tax Act.
- (7) The accounting year of the Firm will be from 1st April to 31st March of each Christian calendar year.
- (8) At the end of each accounting year an account of the business carried on in that year will be made and a statement of accounts namely a Balance Sheet and Profit and Loss Account will be prepared and signed by the partners. If necessary or required by law the accounts will be got audited by a Chartered Accountant.
- (9) The party of the First Part will act as the Manager Partner and will be in charge of the actual work of construction, and shall utilise all his technical knowledge in that behalf. He will be entitled to salary at the rate of Rupees per month In addition to his share in the profits as well as a sum equal to per cent of the book profits annually as further remuneration for his technical skill and experience.
- (10) The Party of the Second Part will look after the financial side of the work as well as look after the administration of the Firm and its said business.
- (11) The books of account and all other record of the Firm will be always kept at the office of the Firm and will be open for Inspection by any of the partners hereto at any time.
- (12) All the working staff such as clerks, peons, accountants, cashier, salesmen and others and the technical staff will be appointed by the joint consent of the

partners hereto and their wages and salaries and other emoluments will be fixed by mutual consent of the parties hereto.

- (13) Subject to what is otherwise provided herein, each of the partners- hereto shall -
- (i) participate and attend to the business of the firm to the greatest common advantage of the firm.
 - (ii) be just and faithful to each other.
 - (iii) render true accounts and full information of all moneys affecting the Firm to the other.
 - (iv) indemnify the Firm for any loss caused to it by wilful negligence or fraud in the conduct of the business.
 - (v) Not carry on any business similar to the business of the Firm or any other business anywhere without the consent of the other partner/s.
 - (vi) attend to the business of the Firm diligently and actively. (g) not withdraw any amount for his own profit, benefit or use as remuneration or otherwise without the consent of the other.
 - (vii) be entitled to be indemnified by the Firm in-respect of payment made and liabilities incurred by him- (i) in 'the ordinary and proper course of business of the firm and (ii) in doing any act for protecting the Firm from loss in emergency.
- (14) All the tangible and intangible assets of the Firm including the goodwill, stock-in-trade, benefit of business licenses and permits, benefits of contracts entered etc. will belong to the parties in equal shares but subject to the debts and liabilities of the Firm and the property of the Firm shall be used by the parties exclusively for the business of the firm.
- (15) Every party shall account for the profit earned from any transaction of the Firm or for the use of the property of the Firm.
- (16) At the end of every six months, the Party of the Second Part will be entitled to withdraw such amount as the funds of the Firm will permit, towards repayment of the principal amount of loan advanced by the Party of the Second Part to the Firm.

- (17) Any party hereto shall not, without the consent of the other-
- (a) submit any dispute with any other person to arbitration or compromise or relinquish the claim.
 - (b) withdraw any suit or legal proceedings filed by the Firm.
 - (c) admit any liability of the Firm.
 - (d) acquire or dispose of any immovable or moveable property, except the stock in trade in the ordinary course of business.
 - (e) enter into partnership or other business unilaterally with any other person.
 - (f) assign or transfer his share or any Interest in the Firm.
 - (g) admit any person as a partner In the Firm.
 - (h) borrow any moneys for or in the name of the firm, or create any security or charge on the assets of the Firm.
 - (i) enter into any contracts except contracts in the regular course of business of the firm.
 - (j) stand as a guarantor or surety for any person, In the name of the Firm or for and on behalf of the Firm.
- (18) The Parties shall open in the name of the Firm one or more accounts either current, saving or overdraft or cash credit with one or more banks as may be agreed upon by the partners and the account or accounts will be operated by any one of the parties hereto.
- (19) The Partnership shall continue till the completion of the said work of construction or If by any chance the said construction contract is cancelled for any reason, till the cancellation of such contract and till then none of the parties shall be entitled to dissolve the partnership or to retire from the partnership.
- (20) If and when the partnership is dissolved, an account of the assets and property and list will be made up to the date of dissolution and out of the assets in specie or by sale thereof, all debts and liabilities including the loan advanced by the Party of the Second Part will be paid In priority and if any balance will remain the same will be shared by the Parties hereto in equal shares.

- (21) If the said construction contract is cancelled by any party thereto and there is a claim by or against the Firm in respect thereof, the same will be prosecuted or defended by both the parties hereto and the winding up of the partnership will be deemed to continue until such claims are finally disposed of by arbitration or court proceedings.
- (22) If any dispute or difference shall arise between the parties hereto touching the business of the firm or interpretation of any provision hereof or otherwise, howsoever relating to the Firm and its business, the same shall be referred to arbitration of a common arbitrator if agreed upon, failing which to two arbitrators one to be appointed by each party to the dispute and the arbitration shall be governed by the Arbitration & Conciliation Act, 1996.
- (23) The parties shall, as early as possible but in any event within the prescribed period get the Firm registered under the Partnership Act, 1932, and the Income Tax Act, 1961.
- (24) This Deed is executed in duplicate and one copy will remain with the Party of the First Part and the other will remain with the Party of the Other Part.

IN WITNESS WHEREOF the parties have put their respective hands the day and year first hereinabove written.

Signed and delivered by the withinnamed Mr. A in the presence of

Signed and delivered by the withinnamed Mr. B in the presence of