

PARTNERSHIP AGREEMENT BETWEEN AN INDIVIDUAL
AND A LIMITED COMPANY

THIS DEED OF PARTNERSHIP Is made at... on this ... day of... between Mr. 'A' residing at ... hereinafter referred to as the 'Party of the First Part' and M/s. A B & Co. Pvt. Ltd., a Company registered under the Companies Act 1956 and having its registered office at ... hereinafter referred to as the 'Party of the Second Part'.

WHEREAS the Party of the First Part owns a large piece of fallow land situated at - and more particularly described In the Schedule hereunder written.

AND WHEREAS the said land Is very suitable for carrying on minerals quarrying operations but the Party of the First Part Is unable to carry on the said operations on his own.

AND WHEREAS the Party of the Second Part has offered to co-operate with the Party of the First Part in promoting the business of quarrying in the said land.

AND WHEREAS the Party of the Second Part has the main object to carry out quarrying operations for acquiring varieties of minerals.

AND WHEREAS it is found more convenient to carry on the said business in partnership between the Parties hereto and, therefore, the Parties have agreed to enter into partnership on the following terms and conditions.

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 commence from the ... day of... and the period of the partnership shall be 'at will'.
3. The business of the partnership (hereinafter referred to as the 'Firm') shall consist of carrying on quarry operations on the said land by quarrying minerals and selling the same and otherwise dealing with the same.
4. The office of the partnership shall be at ... The parties may open branches at such other places as they may be agree upon.
5. The land described in the Schedule hereunder written is valued at Rs... and the said land will be treated as a partnership asset and a contribution of the Party of the First Part to the capital of the Firm. The Party of the Second Part has agreed to bring in an equal amount of Rs... as its contribution to the capital of the Firm. The Party of the First Part will not be bound to contribute any further amount as capital, Whatever additional moneys are required for the business of the Firm the same will be either advanced by the Party of the Second Part as a loan or will be borrowed from any financial Institution or from any other person. The loan advanced by the Party of the Second Part will carry interest at the rate as may be agreed upon and which will not be more than allowed as deduction under the Income Tax Act. If any capital gains tax is required to be paid, by the Party of the First Part for bringing the said land into the assets of the Firm. the same will be paid out of the moneys of the Firm and debited to the capital account of the Party of the First Part.

6. The Party of the Second Part will be represented by the Managing Director thereof or any other person authorised by him and he will act for and on behalf of the Party of the Second Part in relation to the business of the firm and his acts will be binding on the Party of the Second Part. The Managing Director or other representative nominated by the Second Part will be working or managing partner of the firm and he will be entitled to a remuneration at the maximum rate allowable as deduction under the Income Tax Act. The Party of the First Part will not be entitled to any remuneration.
7. The net profits and losses of the firm will be shared by the partners hereto in equal shares or proportions. Net Profit will mean gross profit earned in each year less the expenses of the management of the business including outgoings in respect of the salaries and wages of the staff, commission paid to others, and all other expenses incurred in connection with the business of the firm, and such other expenses as will be allowed as deduction under the Income Tax Act.
8. The accounting year of the Firm will be from 1st April to 31st March of each Christian Calendar year.
9. 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.
10. The books of accounts and all other records 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.

11. All the working staff such as clerks, peons, accountants, cashier, salesmen and others will be appointed by the joint consent of the Parties hereto and their wages and salaries and other emoluments will be fixed by mutual consent of the parties hereto.

12. Each of the Parties hereto shall -
 - (a) participate and attend to the business of the firm to the greatest - common advantage of the Firm, the Party of the Second Part participating and attending through Its Managing Director.
 - (b) be just and faithful to each other,
 - (c) render true accounts and full Information of all moneys affecting the Firm to the other,
 - (d) indemnify the Firm for any loss caused to it by wilful negligence or fraud In the conduct of the business,
 - (e) not carry on any business similar to the business of the Firm or any other business anywhere in the district In which the said land Is situate without the consent of the other partner.
 - (f) 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,
 - (h) be entitled to be indemnified by the Firm in respect of payments made and liabilities incurred by him (1) in the usual and proper course of business of the Firm, and (ii) in doing any act for protecting the Firm from loss in emergency.

13. All the tangible and intangible assets of the Firm Including the said land described In the Schedule hereunder written, the goodwill, stock- in trade, benefit of business licenses and permits, benefits of contracts entered etc.

will belong to the parties in equal shares and the property of the Firm shall be used by the Parties exclusively for the business of the Firm.

14. Every Party shall account for the profit earned from any transaction of the Firm or for the use of the property in business transaction of the Firm.

15. 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 businesses of the Firm.
- (e) enter into partnership or other business unilaterally with any other person,
- (f) assign or transfer his or Its share or any Interest in the Firm,
- (g) admit any person as a partner of 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.

16. If the Partnership is dissolved, an account of the assets and debts and liabilities will be made and after sale of the assets, except the said land, the debts and liabilities will be paid out of the sale proceeds and the balance if any will be divided between the parties in equal shares. The said land as far as possible will be returned to the Party of the First Part.

But If the other assets of the Firm, are not sufficient to pay all debts and liabilities then the Party of the First Part will have the option either to take over the said land subject to such liabilities including the amount. If any payable to the Party of the Second Party towards Its share In the assets of the Firm or to allow the said land to be sold for payment of such debts and liabilities and the balance of sale proceeds will be distributed between the parties in equal shares.

17. 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, however 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 arbitration and the arbitration shall be governed by the Arbitration & Conciliation Act, 1996.
18. 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 under the Indian Income Tax Act, 1961.
19. 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 Second 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 for and on behalf of the Party of the Second
Part M/s. A B & Co. Pvt. Ltd., by Its Managing Director, in the presence of