**Deed of Partnership between Professionals**

This partnership deed is made on this….. day of……in the year……amongst :

1. [First Partner’s Name], [Son/Daughter] of [Mr. Father’s Name], residing at [Address Line 1, Address Line 2, City, State, Pin Code] having PAN…………….. holding certificate of practice issued by ICAI hereinafter referred to as FIRST PARTNER.

2. [Second Partner’s Name], [Son/Daughter] of [Mr. Father’s Name], residing at [Address Line 1, Address Line 2, City, State, Pin Code] having PAN…………….. holding certificate of practice issued by ……ICAI hereinafter referred to as SECOND PARTNER.

3. [Third Partner’s Name], [Son/Daughter] of [Mr. Father’s Name], residing at [Address Line 1, Address Line 2, City, State, Pin Code] having PAN…………….. holding certificate of practice issued by ……ICAI hereinafter referred to as Third PARTNER.

WHEREAS the parties hereto have agreed to commence business carry on profession in partnership and it is expedient to have a written instrument of partnership.

WHEREAS the parties hereto have mutually agreed to business carry on profession of………………… (here describe the business) and to share the profits and losses of the said profession in partnership between themselves and they have with that object constituted themselves into a firm of partners under the name and style of M/s………………… (here give the name of the firm).

(The expression the party of the First Part, the party of the Second Part and the party of the Third Part unless they are inconsistent 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……Chartered 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.

The terms and conditions agreed to by and between the parties hereto witnesses:

1. NAME AND ADDRESS: 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 associates hip with other professionals ….. subject to the approval of the Council of ICAI.

2. COMMENCEMENT: The Partnership shall be deemed to have commenced on and from the day approval is received from the Council of The Institute of Chartered Accountants of India as per the provisions Section 2(2) of the Chartered Accountants Act, 1949 and Regulation 53B of the Chartered Accountants Regulations, 1988.

3. BUSINESS/PROFESSION: The business/profession of Partnership shall be all those activities that can be carried on by a Chartered Accountants within the meaning of the Chartered Accountants Act, 1949.

4. PAYMENT OF RENT AND EXPENSES: The rent, and all taxes, duties, repairs, and outgoings in respect of the said place or places of business of the partnership shall be paid out of the partnership.

5. INDEPENDENT PRACTICE CLAUSE: The Partners will be/will not be allowed to continue with their independent practice. (Optional Clause)

6. DISTRIBUTION OF PROFITS AND LOSSES: 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. First party ......%

b. Second party...%

c. Third party….. %

6. ACCOUNTING YEAR: 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.

7. MANAGEMENT: The management of the firm shall be conducted by all the partners jointly, and any decision regarding the business shall be taken by mutual agreement.

8. OPERATION OF BANK ACCOUNTS: The firm shall open a current account in the name of [Partnership Firm Name] at any bank, and such account shall be operated by [First Partner], [Second Partner] and [Third partner] jointly as declared from time to time to the Banks.

9. BOOKS OF ACCOUNTS: The firm shall regularly maintain, in the ordinary course of business, a true and correct account of all its incoming and outgoing transactions, as well as all its assets and liabilities, in proper books of accounts which shall ordinarily be kept at the firm's place of business. profession The accounting year shall be the financial year from 1st April onwards, and the balance sheet shall be properly audited and signed by all the Partners.

10. CAPITAL OF THE FIRM: The capital of the firm for the time being is fixed at Rs. …………… (Rupees ……………) only, which has been contributed by the partners as follows:

First Party: ……………

Second Party: …………….

Third Party:…………

11. WORKING PARTNERS: That all the parties hereof shall be the working partners the firm/Party of the 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 of the firm.

12. SALARY: That the partners of the firm shall be entitled to draw salary at the rate of Rs. ….. per month.

13. INTEREST ON CAPITAL: That interest at the rate of 12% per annum or as may be prescribed under section 40(b)(iv) of the Income-tax Act, 1961 or any other applicable provisions as may be in force in the income-tax assessment of the partnership firm for the relevant accounting period or at a lower rate as may be agreed to by and between the parties from time to time shall be paid to the partners or credited to the partners on the amount standing to the credit of the account of the partners.

14. DURATION OF PARTNERSHIP: THAT THE PARTNERSHIP shall be AT WILL.

15. RETIREMENT: If any partner desires to retire from the firm, he shall give at least one calendar month's notice of his intention to do so. The remaining partners shall pay to the retiring partner or his legal representatives the purchase money of his share in the assets of the firm.

16. DISSOLUTION OF PARTNERSHIP: The death, insolvency or lunacy of any partner shall not automatically dissolve the Partnership. 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.

17. ADMISSION OF NEW PARTNER: 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 ICAI.

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.

18. GOVERNING LAW: In respect of matters not specifically provided herein, the Partnership shall be governed by the provisions of the Indian Partnership Act, 1932.

19. Med-ARB Clause: Any dispute arising out of or relating to this Partnership Deed shall first be submitted to mediation, mediator being …………………………….. in accordance with the Mediation Act, 2023. If the dispute is not resolved within….. [days/months] from the start of mediation, it shall then be referred to arbitration administered by ……………………………….. in accordance with the Arbitration and Conciliation Act, 1996. The mediator may, with the written consent of all parties, also act as the arbitrator. The arbitration award shall be final and binding. Both mediation and arbitration proceedings shall be confidential. The costs shall be borne equally by the parties, unless otherwise agreed or awarded by the mediator/arbitrator.

20. AMMENDMENT OF TERMS: Terms can be changed by mutual consent, with supplementary deeds executed.

21. EXCLUSIVE PROFESSIONAL ENGAGEMENT CLAUSE: It is hereby declared that all the partners are fully engaged in the practice of profession of Chartered 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 and delivered by ....... the first , party, in presence of : Signature

……………….

……………….

Signed, Sealed and delivered by …… the second party, in presence of : Signature

……………….

……………….

Signed, Sealed and delivered by ……... the third party, in presence of : Signature

……………….

……………….