Agreement Introducing A Minor Partner In The Existing Partnership

**THIS AGREEMENT** executed at .................. this [Date, Month, Year], between A, son of ....................residing at .............................. having PAN………………………; B, son of ........................... residing at ............................... having PAN…………………………(hereinafter collectively referred to as the "Existing Partners") of the FIRST PART and C, son of .................................... residing at ................................ having PAN………………………… (Hereinafter referred to as the "New Partner") of the SECOND PART.

**WHEREAS** the Existing Partners are currently engaged in the business of ............. under the name and style of M/s. ................................................... at .................. as per Deed of Partnership dated ............, registered with ………………….. having unique registration no…………………since............

**AND WHEREAS** at the behest of the Minor X Partner, the Existing Partners have agreed to induct him as a partner in the

**Formation of Partnership**

All the three parties named hereinabove have joined their hands to carry on the business on this ... day of ... and day of ... in the year ... and have formed a partnership firm.

**Business Name and Style**

The business of the partnership shall be carried on in the name ... or such other name as may be agreed mutually by the partners from time to time.

**Principal Place of Business**

The principal place of the business shall be at ... and the ……………..shall be erected and established in the revenue village of ... tehsil or from such other place as may be agreed mutually by the partners from time to time.

**Capital Contribution**

All three parties shall contribute towards the capital of the partnership firm in equal proportion. The initial capital of the firm shall be Rs……… , which may be increased if the business requires.

**Land Lease**

S/° ... residing at ... is seized and possessed with …..acres of land in the said revenue village. The said land has been leased to the partnership firm for ….. years for business……..

**Full-Time Commitment**

Each party shall devote his full time towards the business of the partnership firm.

**Exclusivity of Business**

None of the parties shall carry on any business except as a partner of the firm.

**Interest on Capital**

Each party shall be entitled to interest at the rate of ... percent per annum on the amount contributed by him to the capital of the firm. However, the maximum interest shall not exceed 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.

**Salary**

Each party shall draw a salary of Rs. ……../- per month. The salary may be increased with the mutual consent of the parties from time to time.

**Individual Capacity**

The parties have joined the partnership firm in their individual capacity and not in any representative capacity.

**Accounting and Records**

True and proper accounts of the partnership business shall be maintained. The partnership firm shall keep cashbook, ledger, purchase invoices, cash memos, bills, bill books, Pathai register, Bharai register, nikasi register, stock register of in burnt and manufactured bricks, coal register, and sale register in the regular course of business. These books shall be kept at the brick kiln and open to inspection by all parties, who may take extracts therefrom.

**Accounting Year**

The accounting year of the partnership firm shall be from April 1st to March 31st. The accounts shall be closed on March 31st every year, when the trading account, profit and loss account, and balance sheet shall be drawn, and profits shall be divided amongst the parties and the minors admitted to the benefits of the partnership in the proportions provided herein.

**Partnership at Will**

The partnership shall be at will.

**Profit and Loss Distribution**

The profit shall be distributed as follows:

First party: 30%

Second party: 30%

Third party: 30%

Minor X:10%

**The loss shall be divided as follows:**

First party: 30%

Second party: 30%

Third party: 40%

Profits or losses shall be credited or debited to the accounts of the parties and the minors admitted to the benefits of the partnership.

**Bank Accounts**

Accounts of the partnership firm shall be opened in ... bank and ... bank, operated by the joint signatures of any two parties. The firm may open more than one account of different natures.

**Guardian's Role**

S/° ... residing at ... who is the father of the minors admitted for the benefits of the partnership firm, shall sign this deed and transact with the partnership firm on their behalf.

**Liability of Minors**

Minors admitted to the benefits of the partnership shall not be personally liable for any act of the partnership firm.

**Credit Sales**

Credit sales shall be made only with the consent of all parties.

**Representation**

The first party shall represent the firm in all proceedings before any authority or court of law.

**Continuation of Partnership**

The partnership shall not be dissolved on the death or retirement of any party. On the death of any party, his heir, successor, or nominee shall be taken as a partner on the same terms. On retirement, a new partner may be introduced with mutual consent.

**Dispute Resolution**

Disputes shall be referred to arbitration by S/° ... residing at ..., whose award shall be final and binding, subject to the Arbitration and Conciliation Act, 1996.

**Applicable Law**

For all matters not specifically mentioned in this deed, the provisions of the Indian Partnership Act, 1932 shall apply.

In witness whereof, the parties hereto along with the guardian of the minors have signed this deed of partnership on the date aforementioned at ...

Signed, sealed, and delivered by:

**The first party:**

Signature: ...

In presence of...

**The second party:**

Signature: ...

In presence of**...**

**The third party:**

Signature: ...

In presence of..

**Guardian of the minors:**

Signature: ...

In presence of:...