

DEED OF DISSOLUTION OF PARTNERSHIP

(Involving immovable property)

THIS DEED OF DISSOLUTION Is made at ... this day ... 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 for the Second Part' and Mr. 'C' residing at ... hereinafter referred to as 'the Party of the Third Part,'

WHEREAS the Parties hereto have been carrying on business of... in partnership in the Firm name of M/s. XYZ & CO on the terms and conditions recorded in the Deed of Partnership dated ... entered into by and between the parties hereto. since the ... day of ...

AND WHEREAS as certain differences have arisen between the parties hereto (or as the parties do not desire to continue the said partnership for diverse reasons the parties) have agreed to dissolve the said partnership as from the ... day of ... on the terms herein recorded.

AND WHEREAS the assets of the partners consist of (i) the land and premises purchased and belonging to the Party of the First Part and brought in by the Party of the First Part as his contribution to the capital of the Firm (ii) the lands and premises described In the Second and Third Schedules hereto purchased or otherwise acquired by the Firm in the course of Its business. (iii) and the goodwill, the stock-in-trade, furniture and other articles and things and bank balances and outstandings.

AND WHEREAS accounts of the partnership business have been made upto the date of dissolution and the total value of the assets have been ascertained to be Rs... including Bank balances, and outstanding debts and excluding therefrom the debts and liabilities of the Firm.

AND WHEREAS each partner is entitled to an equal share in the assets and profits of the firm, under the said Deed of Partnership.

AND WHEREAS it is agreed that the property described In the First Schedule will be returned back to the Party of the First Part in lieu of his share In the said assets, the property described In the Second Schedule will be assigned to the Party of the Second Part in lieu of his share in the said assets and the property described in the Third

Schedule will be retained by the Party of the Third Part in lieu of his share in the said assets.

AND WHEREAS for equalisation of shares the Party of the Third Part will pay to the Parties of the First and Second Parts in cash a sum of Rs... in the manner hereinafter provided. --

AND WHEREAS it is agreed that the business of the firm will be continued by the Party of the Third Part alone in the same name and he will be entitled to retain not only the property described in the Third Schedule but all the stock-in- trade, furniture, articles and moneys in lieu of his share in the assets subject to payment of the said sums payable to the Parties of the First and Second Part and subject to all debts and liabilities of the Firm and that the Parties of the First and Second Part will be deemed to have retired from the partnership

AND WHEREAS the parties have agreed to record the terms of and effectuate the dissolution of the Firm In the manner following.

NOW THIS DEED WITNESSETH AS FOLLOWS:

- (1) It Is agreed and declared that the partnership between the parties hereto in the name of M/s ... be and it is hereby dissolved with effect from the ... day of, 2000.
- (2) The accounts of the business and assets, profits and losses of the said partnership firm till the date of dissolution have been made and settled and signed by the Parties and the Parties confirm the same and except as hereinafter provided no party is liable to the others in respect thereof.
- (3) The business of the Firm shall be continued to be carried on by the Party of the Third Part alone and as the sole proprietor thereof as from the said date and the Parties of the First and Second Part shall be deemed to have retired from the partnership and shall have no claim thereto except to the extent hereinafter mentioned.
- (4) The property described In the First Schedule hereto shall cease to be a part of the assets of the Firm and shall continue to belong to the Party of the First Part in

his own personal capacity and the Parties hereto of the Second and Third Part hereby release and renounce all their right, title and Interest therein or thereto as partners of the Firm.

- (5) The property described in the Second Schedule hereto shall also cease to be a part of the assets of the Firm and shall belong to the Party of the Second Part alone and in his own personal right and the Parties of the First and Third Part hereby grant, transfer and release all their respective shares, right, title and interest therein together with the appurtenances thereto To Have and To Hold the same unto and to the use of the Party of the Second Part absolutely subject to the payment of the taxes, rates, assessments, dues and duties payable in respect thereof to the Government or Municipal Corporation or any other public body.
- (6) The Parties of the First and Second Part also release or renounce in favour of the Party of the Third Part all their share, right. title and interest, claim and demand in or to the stock-in-trade. furniture and other articles and moneys belonging to the Firm, the goodwill, thereof and in or to all the debts and outstandings belonging to the Firm.
- (7) The property described in the Third Schedule hereto shall belong to the Party of the Third Part alone and the Parties of the First and Second Part hereby grant, transfer and release all their respective shares, rights. title and interest therein To Have And To Hold the same unto the use of the Party of the Third Part absolutely subject to the payment of all the taxes, rates, assessments, dues and duties In respect thereof payable to the Government or the Municipal Corporation or any other public body.
- (8) The Party of the Third Part agrees and covenants to pay to each of the parties of the First and Second Parts a sum of Rs... by quarterly equal instalments with Interest thereon at ... % p.a. the first of such instalments to be paid on the ... day of ... and each subsequent instalments on the ... day of each subsequent quarter provided that in default of payment of any two instalments the whole of the said amount or any part thereof then remaining due shall become payable forthwith and provided further that, the payment of the said amounts shall remain charged on the property described in the Third Schedule hereto and allotted to the Party of the Third Part.

- (9) The Party of the Third Part covenants with the Parties of the First and Second Part that he will pay and is liable to pay all the debts and liabilities of the Firm subsisting on the date of dissolution including liabilities of Firm's income-tax and other taxes and Government dues and shall indemnify and keep indemnified the Parties of the First and Second Parts against the said liability and against all loss, costs, charges and expenses incurred by any of them on account of such debts and liabilities or any of them or any part thereof being required to be paid by them or any of them.
- (10) Each of them the Parties hereto hereby releases the other or others from all proceedings. accounts, claims and demands in respect of the said partnership but without prejudice to any rights or claims and remedies in respect thereof under these presents.
- (11) The Parties of the First and Second Part hereby jointly and severally appoint, nominate and constitute the Party of the Third Part their attorney or agent with authority to collect all the assets and property of the partnership and to ask, demand, sue for and recover and receive and to sign and give discharge for all the debts. estate and effects or other moneys due or owing or in any wise belonging to the said partnership and to settle accounts. reckoning, matters and things whatsoever relating thereto and to compound or release all or any of the debts or claims belonging to the partnership and to Institute any suit or legal action or other proceedings for compelling payment, discharge or delivery of any moneys or other property belonging to the partnership and for any of the purposes aforesaid from time to time to appoint any substitute or substitutes and at any time to remove him or them, to sign, declare pleadings. applications and other papers as may be required for the purpose. and generally to do all such acts and things as may be necessary or expedient for the purpose of recovering All debts and liabilities of the Firm or for vesting in the Party of the Third Part the premises hereby assigned or released to him.
- (12) The Parties of the First and Second Part shall not for a period of one year from the date hereof carry on or engage or be concerned or interested either directly or indirectly in the same business carried on by the said partnership in the city of

...

- (13) The benefits of or rights to all permits licenses held by the said Firm shall belong to the Party of the Third Part alone and the Parties of the First and Second Part will have no right or claim thereto.
- (14) Each of the parties hereto agrees and undertakes to sign all applications, documents, and other papers as may be. required to properly transfer the properties and other assets allotted, assigned or released to the other or others including all licenses and permits in the Government or Municipal records or otherwise but the costs, charges and expenses in respect thereto will be borne by the party requiring such documents to be signed.
- (15) Each of the parties hereto assures the others that except as recorded in the books of account of the Firm and other record, any of them has not received, collected or discharged or compromised any claim demand or credit due or to become due to the Firm or incurred any debt or liability or obligation that may now or hereafter directly or indirectly charge or affect the partnership or any of Its property and assets.
- (16) The notice of the dissolution of the firm in the prescribed form will be given by the Party of the Third Part within prescribed time as required by the Partnership Act and Rules made thereunder and the Party of the Third Part will publish the dissolution in the Government Gazette as early as possible.
- (17) All the expenses of and incidental to stamp and registration of this Deed will be borne by the parties hereto in equal shares.
- (18) The original of this Deed will remain in the custody of the Party of the Third Part and will be produced by him to the other or others whenever required for inspection or production before any Court. any Govt. Officer, Central or State, including the Offices of the Income tax and Sales Tax Department. One duplicate signed copy of this Deed will remain with each of the other two parties hereto.
- (19) Notwithstanding anything hereinbefore contained all the liability for income-tax on the personal Income including capital gains tax of any party hereto including any interest thereon and penalties imposed In respect thereof incurred before dissolution or after will be that of the party whose Income it is and such party

shall indemnify and keep indemnified the other parties against such liability and costs. charges and expenses incurred on that account.

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

THE FIRST SCHEDULE ABOVE REFERRED TO
THE SECOND SCHEDULE ABOVE REFERRED TO
THE THIRD SCHEDULE ABOVE REFERRED TO

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

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

Signed and delivered by the withinnamed Party of the
Third Part Mr. C in the presence of