**AGREEMENT TO SELL SHARE IN PARTNERSHIP**

THIS AGREEMENT OF SALE is made the \_\_\_\_\_\_\_\_\_\_.day of \_\_\_\_\_\_\_\_\_\_\_\_ in the year 20 \_\_\_\_\_\_\_\_\_\_\_\_,

BETWEEN

Shri \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

aged about \_\_\_\_\_\_\_\_\_\_\_\_ years,

son of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

resident of\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_, (hereinafter called the Seller) of the one part AND

Shri \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

aged about \_\_\_\_\_\_\_\_ years,

son of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

resident of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (hereinafter called the Purchaser) of the other part.

WHEREAS the Seller and the Purchaser under a deed of partnership, dated \_\_\_\_\_\_\_\_\_\_\_\_, were and are till date partners in the business known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, run on and from \_\_\_\_\_\_\_\_\_\_\_\_;

AND WHEREAS the Seller was the financing partner and all machinery, tools and finances, including the premises in which the firm and factory was housed belonged to and had been provided to the partnership by the said Seller;

AND WHEREAS the Seller is desirous of retiring from the said business and the Purchaser although keen to purchase the share of the Seller has no finances immediately available to do so.

NOW, THEREFORE, THIS AGREEMENT WITNESSES as under:

1. That the Seller and the Purchaser have together valued the assets and liabilities, book debts, credits, stocks, outstandings, goodwill and the market value of the premises in which the business and factory is housed and both are agreed that the share of the Seller in the said partnership is of the value of Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as detailed below:

Seller’s share in the goodwill Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Seller’s share in the remaining assets after taking

into account all liabilities Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Value of the building and premises Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Total: Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. That by this deed the partnership existing between the Seller and the Purchaser under deed of agreement, dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, is hereby dissolved and no party owes to the other anything in regard to the said dissolved partnership. All book debts and credits, whether due from the partnership or by the partnership shall on and from the date hereof be paid or realisable by the Purchaser, who assumes full responsibility and acquires full rights thereto. The Seller shall not have to pay nor have the right to realise any sums of money due from or to the partnership.

3. That by virtue of this agreement the Purchaser acquires the right to purchase, free of all encumbrances, and the Seller shall be bound to sell, free of all encumbrances, his entire share in the said dissolved partnership at the agreed price of Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the manner and within the period hereinafter agreed.

4. That in consideration of this agreement, the Purchaser has this day paid to the Seller the sum of Rs \_\_\_\_\_\_\_\_\_\_\_\_, which sum the Seller hereby acknowledges as having received and the balance amounting to Rs \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.the Purchaser shall pay in instalments of Rs \_\_\_\_\_\_\_\_\_\_\_\_ every month on or before the 15th of each month till final liquidation. The entire sum to be liquidated not later than two years from date.

5. That on the date the last instalment is paid by the Purchaser to the Seller, the Seller shall at the cost of the Purchaser execute and register a sale deed for the entire property sold, including the building and premises occupied by the business and factory, more specifically described and detailed in the Schedule hereto and thereafter the Purchaser shall acquire full rights of ownership over the said property hereby agreed to be sold.

6. That during the period from date till final liquidation and sale of the property, the entire share, consisting of machinery, tools, business and factory premises and building shall be in the possession and control of the Purchaser in the capacity of a licensee of the Seller. The licence shall be revocable at the option of the Seller only in case the Purchaser refuses, neglects or is unable to pay any two instalments or the costs of the sale deed or for any other reason does not get the sale deed executed and registered by the Seller.

7. That during the said period of two years or till the sale deed is not executed the Purchaser shall be liable to pay all taxes in and upon the said building and premises and to maintain the same and the machinery and tools in good and proper condition.

8. That in the event of the Purchaser backing out of the transaction or the proposed sale failing for no default of the Seller or the Purchaser defaulting in any two instalments of the purchase price and the Seller exercising his option to revoke the licence the following consequences ensue:

(a) the right of the Purchaser to buy the property agreed to be sold terminate;

(b) the Purchaser shall surrender possession of all property that is, machinery, tools, building and premises, list whereof is given in the Schedules hereto in as good a condition as he received it on the date of this agreement, within 30 days of the revocation of the licence by the Seller and on failure the Seller may enforce his rights through Court at the cost of the Purchaser.

(c) the sum of Rs \_\_\_\_\_\_\_\_\_\_ received today by the Seller shall stand forfeited and shall not be refundable to the Purchaser;

(d) the amount received by the Seller in excess of the first payment (that is, in excess of the sum received today) shall, after deduction of such amounts as are payable by the Purchaser under this agreement and mentioned in para 7, above or which may be deductible on account of deterioration, loss and damage to machinery and tools and 10% on account of depreciation in building value, be refunded by the Seller to the Purchaser and in default the Purchaser may enforce payment through Court at the cost of the Seller.

9. That it is further agreed and understood that the expressions, ‘‘the Seller’’ and ‘‘the Purchaser’’ herein used, unless repugnant to the context shall include the heirs, successors and assigns of the parties.

IN WITNESS whereof the said \_\_\_\_\_\_\_\_\_\_., the Seller and the said \_\_\_\_\_\_\_\_\_\_, the Purchaser, have hereunto signed at \_\_\_\_\_\_\_\_\_\_ the day and the year first above-written.

Witnesses:

Sd. \_\_\_\_\_\_\_\_\_\_

Seller.

1. Sd. \_\_\_\_\_\_\_\_\_\_

2. Purchaser.

Schedule of immovable property agreed to be sold.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Schedule of machinery and tools

in and upon the factory and business.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Sd \_\_\_\_\_\_\_\_\_\_

Seller.

Sd\_\_\_\_\_\_\_\_\_\_

Purchaser.

Note.—This document is an agreement and a deed of dissolution, Consequently it should bear stamp duty under Articles 5 and 46(P) of Schedule I-B of the Indian Stamp Act, 1899.