**COMPOSITION DEED WITH CREDITORS**

This Deed of Composition is made on this \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_/……………………

 Between

MR……………………………………………………….………,

 S/O…………………………………………………………….…,,

 RESI…………………………………………………………………… (hereinafter called "the Debtor" which expression shall unless contrary to the context include his successors, legal representative and assigns) of the first part;

 And

MR……………………………………………………………….…,

S/O…………………………………..\_\_\_\_\_\_...............\_\_,,

 RESI…………………………………………….\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called "the Trustee" which expression shall unless contrary to the context include his successors, legal representative and assigns) of the second part;

And

All the several persons, firms and companies, being the Creditors of the Debtor, whose names and seal signed and affixed hereunder and the amount of debt owed to them is given in Annexure A to this document (hereinafter called "the Creditors" which expression shall unless contrary to the context include their successors, legal representative, hairs and assigns as the case may be) of the third part:

Whereas

1. The Debtor is indebted to the Creditors to amounts as given in Annexure A hereto.

2. The Debtor is unable to pay the Creditors their debts in full and hence has proposed to pay to the Trustee a sum of Rs.\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to be distributed among the Creditors in proportion to their debts respectively and that such sum may be received by the Creditors in full discharge of their respective debts and claims against the Debtor.

3. The Creditors have agreed to accept the offer of the Debtor and to take the said composition in fully discharging to their concerned debts and in consideration thereof, to grant to the Debtor the release hereinafter contained.

Now this deed witnesses as follows:

1. The Debtor hereby agrees with the Trustee and the Creditors that the Debtor, shall within a period of three months from the date of execution of this deed pay or cause to be paid to the Trustee the sum of Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

2. The Trustee in trust shall hold the said sum for the purpose as hereinafter stated.

3. The Trustee shall possess the said sum of Rs.\_\_\_\_\_\_\_\_\_\_\_\_ on trust to distribute the same among the Creditors whose names are given in Annexure A hereto in proportion to their debts.

4. In pursuing further pursuance the said agreement and in consideration of the premises the Creditors hereby jointly and severally release and discharge Debtor, from all debts owed by him to the Creditors.

5. The Creditors further discharge and release the Debtor from all actions, claims or demands or any of them against the Debtor in concerning the debt as owned.

6. If the Debtor fail to pay or caused to be paid to the Trustee the said sum of Rs. \_\_\_\_\_\_\_\_\_\_\_, within the fix time, the release of the debts by the Creditors as aforesaid shall be nullity.

7. In case the Debtor is adjudicated insolvent prior payment of the whole of the said sum, in that case also the release of the said debts hereinbefore contained null and void and ineffective. In this eventuality the Creditors and each of them shall be free to exercise all such rights and remedies they would have been entitled to, had this deed not been executed.

8. The release hereinbefore contained is only concerning the Debtor and shall no case prejudice the rights of the Creditors or any of them against parties other than the Debtor, and the Creditors hereby expressly reserve all the rights and remedies against any such party or parties.

9. If any controversies shall emerge concerning any matter or things done under the foregoing enactments or otherwise in this deed the same shall, if the parties do not agree, be referred to the arbitration of MR……………………………………………………………,

S/O………………………………………………………………………………..,

RESI…………………………………………………………………. \_\_\_\_\_... The decision of the arbitrator shall be conclusive and bind the parties.

In Witness Whereof, the parties to this deed have signed on the day and year above mentioned.

Witnesses:

1. The Debtor

2. The Trustee

Annexure A as referred above

S. No. Name and Address of the Creditor

Amount of Debt Due (in Rs.)