

**THIS Agreement of LLP made at this..... Day of
..... 20.....**

BETWEEN

1. S/o R/o..... residing at
.....which expression shall, unless it be repugnant to the subject or context thereof, include their legal heirs, successors, nominees and permitted assignees and hereinafter called the FIRST PARTY, and

2. S/o R/o..... residing at
.....which expression shall, unless it be repugnant to the subject or context thereof, include their legal heirs, successors, nominees and permitted assignees and hereinafter called the SECOND PARTY, and

THAT THEY BOTH SHALL BECOME Partners who shall be Designated Partners on incorporation of the LLP to carry on the partnership business as a Limited Liability Partnership (LLP) registered under the provisions of Limited Liability Partnership Act, 2008 (LLP Act) with a view to shall the profits/losses on the following terms **DEFINATIONS** In this agreement unless the context otherwise requires:-

“**Accounting year**” means the financial year as defined in the Limited Liability Partnership Act, 2008.

“**Act**” or “**LLP Act**” means the Limited Liability Partnership Act, 2008

“**Business**” includes every trade, profession service and occupation.

“**Designated Partner**” means any partner designated as such.

“**LLP**” means the limited liability partnership formed pursuant to this LLP Agreement.

“**LLP Agreement**” means this Agreement or any supplement thereof determining the mutual right, duties and obligations of the partner in relation to each other and in relation to LLP.

“**Partner**” means any person who becomes a partner in the LLP accordance with this LLP Agreement

1. **Name:** Limited Liability Partnership shall be carried on in the name and style of M/s. LLP and hereinafter called asX..... LLP.
2. **Business:** The Partnership business shall be _____ until and unless changed as per the mutual decision of all the partners of the LLP at the time of the decision
3. **Place of Office:** The partnership business shall be carried on at the under mentioned address, which shall also be its registered office. The business shall also be carried from such other places as may be mutually decided by the partners from time to time.

4. **Duration** : The Partnership shall commence from the date of registration of the firm, and shall continue to operate in accordance with the provisions of LLP Act, 2008 and rules framed there under, until termination of this agreement with the mutual consent of all the partners.
5. **Contribution**: The Contribution of the LLP shall be Rs..... (Rupees only) which shall be contributed by the partners in the following proportions. First Party% i.e. Rs (Rupees only) Second Party% i.e. Rs (Rupees only)The further Contribution if any required by the LLP shall be brought by the partners in their profit sharing ratio.
6. **Number of Designated Partners**: The maximum number of designated partners appointed for the LLP shall be as mutually agreed between the partners initially at the time of incorporation of LLP or as decided by the designated partners of the LLP from time to time unanimously.
7. **Sleeping Partners**: All the partners other than those appointed as the designated partners of the LLP shall be sleeping partners, and they shall not interfere with the day to day conduct of business of the LLP.
8. **Common Seal**: LLP shall have a common seal to be affixed on documents as defined by partners under the signature of any of the Designated Partners.
9. **Immovable Properties**: The immovable properties purchased by the LLP shall be clear, marketable and free from all encumbrances.
10. **Audit**: The Statement of Accounts and Solvency of LLP mad each year shall be audited by a qualified Chartered Accountant in practice in accordance with the rules prescribed under section 34(3) of the LLP act, 2008, namely, rule 24 of the LLP Rules & Forms, 2008. It shall be the responsibility of the Designated Partners of the LLP to comply with Rule 24 of the rules.
11. **Remuneration to Partners**: No partners shall be entitled to any remuneration for taking part in the conduct of the LLP's business.
12. **Drawings**: Each partner may draw out of the partnership funds as drawings from the credit balance of his income account. Such drawls shall be duly accounted for in the yearly settlement of accounts and divisions of profits of the partnership at the end of each financial year.
13. **Interest on Capital or Loan** : Interest at the rate of _____ % per annum on the capital contributed or loan given or credited as given by each of the partners and standing to his credit as on the first day of each calendar month for the previous month out of the gross profits of the partnership business shall be credited in the respective accounts, and such interest shall be cumulative such that any deficiency in one financial year shall be made up out of the gross profits of any succeeding financial year or years.
14. **Business transaction of partner with LLP** : A partner may lend money to and transact other business with the LLP, and in that behalf the Partner shall have the same rights and obligations with respect to the loans or other business transactions as a person who is not a Partner.
15. **Profits** : The net profits of the LLP shall be divided in the following proportions:

| | |
|-------------------|--------|
| To the said ----- | _____% |
| To the said ----- | _____% |
16. **Losses**: The losses of the LLP including loss of capital, if any, shall be borne and paid by the partners in the following proportions:

- 28. Person whose business interests are in conflict to that of the firm shall not be admitted as the Partner.
- 29. The Profit sharing ratio of the incoming partner will be in proportion to his contribution towards the capital of LLP.

RIGHTS OF PARTNER

- 30. All the partners hereto shall have the rights, title and interest in all the assets and properties in the firm in the proportion of their Contribution.
- 31. Every partner has a right to have access to and to inspect the books of accounts of the LLP.
- 32. Each of the parties hereto shall be entitled to carry on their own, separate and independent business as hitherto they might be doing or they may hereafter do as they deem fit and proper and other partners and the LLP shall have no objection thereto provided that the said partner has intimated the said fact to the LLP before the start of the independent business. Provided the business is not in competition to the existing business being carried on by the LLP.
- 33. On retirement of a partner, the retiring partner shall be entitled to full payment in respect of all his rights, title and interest in the partner as herein provided.
- 34. Upon the death of any of the partners herein any one of his or her heirs will be admitted as a partner of the LLP in place of such deceased partner.
- 35. On the death of any partner, if his or her heir legal heirs opt not to become the partner, the surviving partners shall have the option to purchase the contribution of the deceased partner in the firm.

DUTIES OF PARTNERS

- 36. Each Partner shall be just and faithful to the other partners in all transactions relating to the LLP.
- 37. Each partner shall render true accounts and full information of all things affecting the limited liability partnership to any partner or his legal representatives.
- 38. Every partner shall account to the limited liability partnership for any benefit derived by him without the consent of the LLP of any transaction concerning the limited liability partnership.
- 39. Every partner shall indemnify the limited liability partnership and the other existing partner for any loss caused to it by his fraud in the conduct of the business of the limited liability partnership.
- 40. In case any of the Partners of the LLP desires to transfer or assign his interest or shares in the LLP he can transfer the same with the consent of all the Partners.
- 41. No Partner shall without the written consent of other Partners :-
 - 41. Engage or except for gross misconduct, dismiss any employee of the partnership
 - Commit to buy any immovable property for the LLP
 - Sumit a dispute relating to business of LLP business to arbitration.
 - Assign, mortgage or charge his or her share" in the partnership or any asset or property thereof or make any other person a partner therein.
 - Engage directly or indirectly in any business competing with that of the limited liability partnership.
 - Withdraw a suit filed on behalf of LLP.
 - Admit liability in a suit or proceedings against LLP.

- Share business secrets of the LLP with outsiders.
- Remit in whole or part debt due to LLP.
- Go and remain out of station in connection with the business of LLP more than ____ days at a time.
- Open a banking account on behalf of LLP in his name.
- Draw and sign any cheque on behalf of LLP unauthorisedly in excess of Rs _____ on its banking account.
- Give any unauthorized security or promise for the payment of money on account on behalf of the LLP except in the ordinary course of business.
- Draw or accept or endorse unauthorisedly any bill of exchange or promissory note on LLP's account.
- Lease, sell, pledge or do other disposition of any of the LLP's property otherwise than in the ordinary course of business.
- Do any act or omission rendering the LLP liable to be wound up by the Tribunal.
- Derive any profits from any transactions of the LLP or from the use of its name, resources or assets or business connection by carrying on a business of the nature as competes with that of the LLP.

DUTIES OF DESIGNATED PARTNER

- 42. Devote their whole time and attention to the said partnership business diligently and faithfully by employing themselves in it, and carry on the business for the greatest advantage of the partnership.
- 43. The Designated Partners shall be responsible for the doing of all acts, matters and things as are required to be done by the LLP in respect of compliance of the provisions of this Act including filing of any document, return, statement and the like report pursuant to the provisions of Limited Liability Partnership Act, 2008.
- 44. Protect the property and assets of the LLP.
- 44. Upon every reasonable request, inform the other partners of all letters, writings and other things which shall come to their hands or knowledge concerning the business of the LLP.
- 45. Punctually pay their separate debts to the LLP.
- 46. The Designated Partners shall be responsible for the doing of all such other acts arising out of this agreement.

CESSATION OF EXISTING PARTNERS

- 47. Partner may cease to be partner of the LLP by giving a notice in writing of not less than ____ days to the other partners of his intention to resign as partner.
- 48. Majority of Partners can expel any partner in the situation where the partner has been found guilty of carrying on activity/business of LLP with fraudulent purpose or has been found to engage in a business which competes with the business of LLP.

IN WITNESS WHEREOF THIS DEED IS SIGNED BY THE PARTIES HERETO THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

Party of the First Part -----

Party of the Second Part -----

Witness 1:

Witness 2: .

As per provisions of the LLP Act, in the absence of agreement as to any matter, the mutual rights and liabilities shall be as provided for under **Schedule I** to the Act. Therefore, in case any LLP proposes to exclude provisions/requirements of Schedule I to the Act, it would have to enter into an LLP Agreement, specifically excluding applicability of any or all paragraphs of Schedule I. .