

**LLP AGREEMENT**  
(As per Section 23(4) of LLP Act, 2008)

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

**BETWEEN**

1. .... a company registered under the Companies Act, 1956, having its registered office at ..... through its authorized representative ..... 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. .... 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

**(THE FIRST & SECOND PARTY SHALL BE COLLECTIVELY REFERRED TO AS PARTNERS)**

WHEREAS the First Party is .....

WHEREAS the Second Party is .....

**NOW THE FIRST & SECOND** Party are interested in forming a Limited Liability Partnership under the Limited Liability Partnership Act 2008 and that they intends to write down the terms and conditions of the said formation and

**IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS**

1. A Limited Liability Partnership shall be carried on in the name and style of M/s. .... LLP and hereinafter called as ...X.... LLP.
2. The X LLP as constituted under this Deed shall be deemed to be have commenced on the ----- day of -----
3. The X LLP shall have its registered office at ..... and/or at such other place or places, as shall be agreed to by the majority of the partners from time to time.
4. The Contribution of the X 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 X LLP shall be brought by the partners in their profit sharing ratio.
5. The X LLP shall have a common seal to be affixed on documents as defined by partners under the signature of any of the Designated Partners.
6. The business of the X LLP shall be of .....
7. That the immovable properties purchased by the LLP shall be clear, marketable and free from all encumbrances.
8. The net profits of the X LLP arrived at after providing for payment of remuneration to the working partners ----- and ----- and interest to partners on the loan given by them shall be divided in the following proportions:

To the said -----	50%
To the said -----	50%
-----	100%
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9. The losses of the X LLP including loss of capital, if any, shall be borne and paid by the partners in the following proportions:

To the said -----	50%
To the said -----	50%
-----	100%
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10. The bankers of the partnership shall be----- Bank,----- branch and/or such other bank or banks as the partners may from time to time unanimously agreed upon.
11. The business of the X LLP is \_\_\_\_\_ and other ancillary business more particularly described in the Schedule 1 annexed herewith or any other business in any other manner as may be decided by the majority of Partners.

#### **ADMISSION OF NEW PARTNER**

12. The new partner may not be introduced without the consent of all the existing partners. Such incoming partner shall give his prior consent to act as Partner of the X LLP.
13. The Contribution of the partner may be tangible, intangible, Moveable or immoveable property and the incoming partner shall bring minimum contribution of Rs.....
14. The Profit sharing ratio of the incoming partner will be in proportion to his contribution towards X LLP.

#### **RIGHTS OF PARTNER**

15. All the partners hereto shall have the rights, title and interest in all the assets and properties in the said X LLP in the proportion of their Contribution.
16. Every partner has a right to have access to and to inspect and copy any books of the X LLP.
17. 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 X LLP shall have no objection thereto provided that the said partner has intimated the said fact to the X LLP before the start of the independent business and moreover he shall not use the name of the X LLP to carry on the said business.
18. If any partner shall advance any sum of money to X LLP over and above his due contribution to capital, the same shall be a debt due from the X LLP to the partner advancing the same and shall carry simple interest at the rate of ...% per annum or any other rate decided by the partners unanimously.
19. X LLP shall have perpetual succession. So, death, retirement or insolvency of any partner shall not dissolve the X LLP.
20. 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. However, upon insolvency of a partner his or her rights, title and interest in the X LLP shall come to an end. Upon the death of any of the partners herein any one of his or her heirs will be admitted as a partner of the X LLP in place of such deceased partner. The heirs, executors and administrators of such deceased partners shall be entitled to and shall be paid the full payment in respect of the right, title and interest of such deceased partner.
21. On the death of any partner, if his or her heir opts not to become the partner, the surviving partners shall have the option to purchase the contribution of the deceased partner in the X LLP.

#### **DUTIES OF PARTNERS**

22. Each Partner shall be just and faithful to the other partners in all transactions relating to the LLP.
23. Each partner shall render true accounts and full information of all things affecting the limited liability partnership to any partner or his legal representatives.
24. Every partner shall account to the limited liability partnership for any benefit derived by him without the consent of the X LLP of any transaction concerning the limited liability partnership, or for any use by him of the property, name or any business connection of the X LLP.
25. 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.
26. In case any of the Partners of the X LLP desires to transfer or assign his interest or shares in the X LLP he can transfer the same with the consent of all the Partners.
27. No Partner shall without the written consent of other Partners :-
  - I. Engage or except for gross misconduct, dismiss any employee of the partnership
  - II. Employ any money, goods or effects of the partnership or pledge the credit thereof except in the ordinary course of business and upon the account or for the benefit of the X LLP.
  - III. Enter into any bond or become sureties or security with or for any person or do knowingly cause or suffer to be done anything whereby the partnership property or any part thereof may be seized.
  - IV. 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.
  - V. Engage directly or indirectly in any business competing with that of the limited liability partnership.

- VI. Lend money or give credit on behalf of the X LLP or to have any dealings with any persons, company or firm whom the other partner previously in writing have forbidden it to trust or deal with. Any loss incurred through any breach of provisions shall be made good with the X LLP by the partner incurring the same.
- VII. Compromise or compound or (except upon payment in full) release or discharge any debt due to the X LLP except upon the written consent given by the other partner.
- VIII. Enter into any bond or become bail or surety for any person or knowingly cause or suffer to be done anything whereby the limited liability partnership property may be endangered

#### **MEETING**

28. The meeting of designated partners may be called by giving \_\_days notice. In case if any urgent meeting is called the notice requirement is to be rectified by all the Partners.
29. The matter discussed in the X LLP meeting shall be decided by a resolution passed by a majority in number of the partners, and for this purpose, each partner shall have one vote.
30. The meeting of the Partners may be called by sending ..... days prior notice to all the partners at their residential address or in case of urgent meeting the same can be called by telephonic conversation but the notice requirement is to be rectified by all the Partners.
31. The meeting of Partners shall ordinarily be held at the registered office of the X LLP or at any other place as per the convenience of partners.
32. Every limited liability partnership shall ensure that decisions taken by it are recorded in the minutes within ..... days of taking such decisions and are kept and maintained at the registered office of the X LLP.
33. Each partner shall--
  - I. Punctually pay and discharge the separate debts and engagement and indemnify the other partners and the X LLP assets against the same and all proceedings, costs, claims and demands in respect thereof.
  - II. Each of the partners shall give time and attention as may be required for the fulfillment of the objectives of the X LLP business and they all shall be the working partners.

#### **DUTIES OF DESIGNATED PARTNER**

34. The Authorised representative of First Party and the Second Party shall act as the Designated Partner of the X LLP in terms of the requirement of the Limited Liability Partnership Act, 2008.
35. The Designated Partners shall be responsible for the doing of all acts, matters and things as are required to be done by the limited liability partnership 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.
36. The Designated Partners shall be responsible for the doing of all acts arising out of this agreement.
37. No remuneration will be given to any of the Designated Partner for rendering of their services.
38. The X LLP shall indemnify and defend its partners and other officers from and against any and all liability in connection with claims, actions and proceedings (regardless of the outcome), judgment, loss or settlement thereof, whether civil or criminal, arising out of or resulting from their respective performances as partners and officers of the X LLP, except for the gross negligence or willful misconduct of the partner or officer seeking indemnification.

#### **CESSATION OF EXISTING PARTNERS**

39. Partner may cease to be partner of the X LLP by giving a notice in writing of not less than \_\_\_\_\_ days (More than 30) to the other partners of his intention to resign as partner.
40. No majority of Partners can expel any partner except in the situation where any partner has been found guilty of carrying of activity/business of X LLP with fraudulent purpose.
41. The X LLP can be wound up with the consent of all the partners subject to the provisions of Limited Liability Partnership Act 2008.

#### **EXTENT OF LIABILITY OF X LLP**

42. X LLP is not bound by anything done by a partner in dealing with a person if—
  - I. the partner in fact has no authority to act for the X LLP in doing a particular act; and
  - II. the person knows that he has no authority or does not know or believe him to be a partner of the X LLP.

#### **MISCELLANEOUS PROVISIONS**

43. The limited liability partnership shall indemnify each partner in respect of payments made and personal liabilities incurred by him—

- I. in the ordinary and proper conduct of the business of the limited liability partnership; or
  - II. in or about anything necessarily done for the preservation of the business or property of the limited liability partnership.
44. The books of accounts of the firm shall be kept at the registered office of the X LLP for the reference of all the partners.
45. The accounting year of the X LLP shall be from 1st April of the year to 31st March of subsequent year. The first accounting year shall be from the date of commencement of this X LLP till 31st March of the subsequent year.
46. It is expressly agreed that the bank account of the X LLP shall be operated jointly by the Second Party.
47. All disputes between the partners or between the Partner and the X LLP arising out of the limited liability partnership agreement which cannot be resolved in terms of this agreement shall be referred for arbitration as per the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996).

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

**Signed and delivered by the**

**For and on behalf of**

..... (Name of LLP)

(Partner)

(Partner)

**WITNESS:**

a) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

b) Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

**SCHEDULE 1**

**ANCILLARY OR OTHER BUSINESS CARRIED OVER BY THE X LLP**

**(A) THE BUSINESS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN BUSINESS ARE:**

**(B) THE OTHER BUSINESS ARE:**

**SCHEDULE 2**

**MATTERS TO BE DECIDED BY A RESOLUTION PASSED BY A MAJORITY IN NUMBER OF THE PARTNERS**