

## LIMITED LIABILITY PARTNERSHIP (LLP) AGREEMENT

This LIMITED LIABILITY PARTNERSHIP (LLP) agreement is made this (day) day of (month), (year) by and between :-

1. Shri (Name of First Partner) s/o Shri (Father's Name of First Partner), aged around (age) years old and r/o (Address of First Partner) (PAN :- \_\_\_\_\_ ) hereinafter referred to as the First Part.
2. Shri (Name of Second Partner) s/o Shri (Father's Name of Second Partner), aged around (age) years old and r/o (Address of Second Partner) (PAN :- \_\_\_\_\_ ) hereinafter referred to as the Second Part.

**Whereas :-**

**Each** of the party named above

**Being** conscious of the need to combine to pursue common goals

**Being** impelled by the urge to survive in competition

**Being** animated by the desire of carrying business in partnership with Limited Liability

**Being** convinced of the benefits of mutual sharing

**By** Pooling their Capital, Resources and Experience

**Have** in Consideration of sharing profits or losses

**Resolved** to enter into partnership with Limited Liability

**On** certain Terms and Covenants set forth hereinafter.

**Following are the agreed Terms and Covenants :-**

### **Definitions**

These definitions apply in this part unless the context implies a different interpretation.

|                      |  |
|----------------------|--|
| “Contribution”       | refers to the minimum amount the partners are required to contribute to the Capital of the LLP   |
| “Dispute”            | shall include a dispute or misunderstanding between the partners <i>inter-se</i> or their representatives or heirs, arising as to interpretation of the term and covenants of this Agreement as to rights, obligations, duties and authorities of the parties or relating to the business or affairs of the LLP including, and without limitation, the breach, performance, validity of the LLP Agreement. |
| “Designated Partner” | refers to the parties named in Clause 4.2 of this LLP Agreement.   |
| “LLP”                | refers to the <b>LLP</b> incorporated under this Agreement.  |
| “LLP Agreement”      | refers to this Agreement.  |
| “Partner”            | refers to the continuing partners of this Limited Liability Partnership (LLP)  |

1. **NAME AND REGISTERED OFFICE**

- 1.1 The name & style of the Limited Liability Partnership business shall be **(Name of the LLP)**.
- 1.2 The Designated partners shall be at liberty to carry business under the aegis of the LLP in such other name(s) as they may by mutual consent decide.
- 1.3 The registered office of the LLP shall be in the district of **(Name of District)** in the state of **(Name of State)**.
- 1.4 The Designated partners shall be at liberty to open branch(es) of the LLP at such place(s) as they may by mutual consent decide.

2. **BUSINESS / OBJECTS**

- 2.1 The principal business of the LLP shall be :-
  - a. **<<List Business of LLP>>**
  - b.
- 2.2 The Designated partners shall be at liberty to undertake any other line(s) of business(es) either in addition to or in substitution of their present business by mutual consent.

3. **DURATION AND DISSOLUTION OF LLP**

- 3.1 The LLP is AT WILL.
- 3.2 The partners may retire from the LLP, by giving a Notice of Retirement to the LLP and the other partners at least six (6) months before his Retirement.
- 3.3 The retirement / death / lunacy / idiocy / insolvency of a partner shall not operate as the dissolution of the LLP and in case of cessation of partner with the LLP, for reasons aforesaid, the remaining partners or persons chosen by them shall be allowed to replace the interest of the ceasing partner in the LLP and to continue the business of the LLP.
- 3.4 The business of the LLP shall continue until it is dissolved in the manner decided by the Designated Partners in accordance with the Agreement and the LLP Act.

4. **CONTRIBUTION & DESIGNATED PARTNERS**

- 4.1 The total amount that partners shall be obliged to make a minimum contribution in the following manner :-

| Name of Partner |             | Amount (Rs.) |
|-----------------|-------------|--------------|
|                 | First Part  |              |
|                 | Second Part |              |
| <b>TOTAL</b>    |             |              |

- 4.2 The designated partners shall be :-
  - 1. Shri \_\_\_\_\_
  - 2. Shri \_\_\_\_\_

5. **CAPITAL & MANAGEMENT**

5.1 The capital required for the business of the LLP shall be contributed by the partners as per their mutual convenience irrespective of the extent of their shares.

5.2 The LLP business shall be carried on by all the Designated Partners as Working Partners themselves faithfully, diligently, honestly, lawfully and in the best interests of the firm and in accordance with the policy and decisions taken by the Designated Partners from time to time.

6. **REMUNERATION & INTEREST**

6.1 No remuneration shall be paid to the partners.

6.2 No interest shall be paid to the partners on their capital.

7. **SHARING OF PROFITS & LOSSES**

7.1 The partner(s) shall share the profits and losses arising out of the conduct of the LLP in the manner and to the extent specified below :-

| Serial No. | Name | PAN |             | Profit | Loss |
|------------|------|-----|-------------|--------|------|
| 1.         | Shri |     | First Part  |        |      |
| 2.         | Shri |     | Second Part |        |      |

7.2 The profits and losses referred to in clause 7.1 shall be computed in accordance with the books of accounts maintained by the LLP.

8. **ACCOUNTS & ACCOUNTING YEAR**

8.1 The LLP shall maintain books of accounts and other documents, as far as possible, at the Registered Office of the LLP.

8.2 The said books of accounts and other documents shall be available for inspection by the Partners during the normal working hours of the LLP.

8.3 The Financial Year ending on 31<sup>st</sup> March every year shall be the accounting year of the LLP.

8.4 The Final Accounts comprising the Balance Sheet and the profit and loss account prepared for a Financial Year and signed by all the partners shall be deemed to be Final and shall not be called into question by any partner, thereafter.

9. **IMPLIED AUTHORITY OF PARTNERS**

The Designated Partner(s) shall for and on behalf of the LLP, subject to the provisions of this LLP Agreement, be jointly / severally entitled:-

9.1 To enter into contract(s) with any person(s) for carrying out the business of the LLP.

9.2 To open and operate Banking Accounts with Schedule and other Commercial and Co-operative Banks.

- 9.3 To sign, draw, accept, negotiate, pay, satisfy or receive any Negotiable / mercantile Instruments for payment or delivery of money, transfer of goods, etc.
- 9.4 To sign, verify, attest, execute, etc. any document or papers in the ordinary course of business.
- 9.5 To borrow money and raise loans.
- 9.6 To secure against the assets of the LLP and the contribution of the Partner(s) any Credit Facilities by Financial Institutions including Commercial and Co-operative Banks on such Terms & Conditions deemed expedient and to execute all formalities including verification and self-attestation of papers, documents, bonds, etc in connection therewith.
- 9.7 To devote reasonable time and energy for the LLP business and shall not allow its works to suffer but the Designated Partner(s) shall be at liberty to carry on all other business(es) of their own without any hindrance whatsoever.
- 9.8 To apply for all kinds of licenses, permits, quotas rights and to submit tenders, sign statutory papers and agreements, etc and to represent the LLP before all Statutory authorities.
- 9.9 To act on behalf of the LLP, generally.
- 9.10 For the removal of doubts, it is hereby clarified that no Power of Attorney shall be required in favour of the Designated Partner(s) so acting on behalf of the LLP.

## 10. OBLIGATIONS AND DUTIES OF PARTNERS

The partner(s) shall jointly/severally be obliged:

- 10.1 To keep proper records of all business transacted by him on behalf of the LLP.
- 10.2 To render true and proper accounts in respect of receipts and payments of money and of any other business transacted by him on behalf of the LLP.
- 10.3 To give such information as may be required from time to time of all business matters and transactions related to the LLP.

## 11. ARBITRATION & JURISDICTION

- 11.1 Where any dispute arises between the partners and the partners cannot settle the same amicably and mutually, the same shall be referred to Arbitration under the aegis of the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof for the time being in force.
- 11.2 The venue, language of proceedings and fees and cost of Arbitration shall be decided by the parties hereto.
- 11.3 The Jurisdiction for all Civil disputes relating to this LLP between the partner(s) inter-se or the LLP or their Legal Representatives shall be in the Courts of (Name of District) in the State of (Name of State).

## 12. MISCELLANEOUS

- 12.1 If any of the clause of this Limited Liability Partnership Agreement are repugnant or derogatory to the provisions of the Limited Liability Partnership Act, 2008 or any statutory modification or re-enactment

thereof for the time-being in force, then the provisions of the Limited Liability Partnership Act, 2008 shall always prevail.

- 12.2 The invalidity of any provision of this LLP Agreement shall not affect the continuing enforceability of the remaining provisions thereof.
- 12.3 This LLP Agreement constitutes the Entire Agreement between the parties with respect to the matters referred hereto and supersedes all previous agreements, express or implied.
- 12.4 The paragraph headings are provided for convenience only and do not signify the meaning and intent of the parties hereto and in no case shall be used to construe or interpret the terms of this LLP Agreement.
- 12.5 The term and covenants of this LLP Agreement can be amended at any time with the mutual consent of all the partners expressed in writing.
- 12.6 The Designated partners shall soon after the execution of this LLP Agreement by all the partners, commence formalities and take the required steps to register the same with the Registrar of Companies and other appropriate authorities, and complete all formalities and verify all documents in connection therewith.

IN WITNESS WHEREOF, the parties hereto have set and subscribed their hands and seal to this AGREEMENT OF LIMITED LIABILITY PARTNERSHIP on the day, month and year first above mentioned.

**Signatures of Partner(s)**

1<sup>st</sup> Part

(X)

\_\_\_\_\_

(Name & Title)

2<sup>nd</sup> Part

(X)

\_\_\_\_\_

(Name & Title)

**Signatures of Witness(es)**

1<sup>st</sup>

(X)

\_\_\_\_\_

(Name & Title)

2<sup>nd</sup>

(X)

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(Name & Title)