**Model Limited Liability Partnership Agreement or LLP Agreement**

 [See Section 23(4) of the LLP Act, 2008 (6 of 2009)]

THIS AGREEMENT of Limited Liability Partnership (LLP) is made at ................ this .................... day of ..................... 20........

BETWEEN

1. ...................................

 a company registered under the Companies Act, 1956, having its Registered Office at...................................... through its authorised 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,

(2) .......................... S/o, D/o, W/o ........................

R/o ........................................... 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

(3) .......................... S/o, D/o, W/o ........................

R/o ........................................... 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 THIRD PARTY, and (All the PARTIES hereto, i.e., the FIRST PARTY, the SECOND PARTY and the THIRD PARTY shall be collectively called or referred to as the PARTNERS).

WHEREAS the First Party is ........................................................... WHEREAS the Second Party is ....................................................... WHEREAS the Third Party is .......................................................... NOW the First Party, the Second Party and the Third Party are interested in forming a Limited Liability Partnership (LLP) under the Limited Liability Partnership Act, 2008 and intend to write down the terms and conditions of the said LLP as below.

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

Name of the LLP

1. A Limited Liability Partnership (LLP) shall be carried on in the name and style of M/s. ............................ LLP and hereinafter called as the LLP. Registered Office

2. The 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. Capital Contribution

3. The Capital 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) Third 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. Profit sharing ratio (PSR)

4. All the Partners of the LLP are entitled to share Profits & Losses in the ratio of their respective Capital Contribution in the LLP. The net profits & losses of the LLP shall be arrived at after providing for payment of Remuneration to the Designated and working partners and Interest on Partners’ Contribution in the LLP or Loan given by them to the LLP. Business and Objects of the LLP 5. The objects, business and activities of the LLP shall be under :

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and other incidental and ancillary business more particularly described in the Schedule ‘A’ annexed herewith or any other business in any other manner as may be decided by the majority of the Partners. Common Seal

 6. The LLP shall have a common seal to be affixed on documents as defined by partners under the signature of any of the Designated Partners.

7. That the immovable properties purchased by the LLP shall be clear, marketable and free from all encumbrances. Admission of New Partner

8. No Person may be introduced as a new partner without the consent of all the existing partners. Such incoming partner shall give his prior consent to act as Partner of the LLP.

 9. Capital Contribution of the new partner may be tangible, intangible, movable or immovable property and the incoming partner shall bring minimum Contribution of Rs ................ (Rupees .......................... only).

10. Profit Sharing Ratio (PSR) of the incoming partner will be in proportion to his capital contribution in the LLP. First Schedule of LLP Act not to apply

11. Provisions of First Schedule to the Limited Liability Partnership Act, 2008 (the LLP Act, 2008 (6 of 2009)] will not apply to the LLP as the LLP will be governed by the terms of this LLP Agreement. Remuneration & Interest to Partners

12. The LLP shall pay such Remuneration to the Designated Partners and working partners as may be decided by the majority of the Partners, for rendering his/her/its services.

13. The LLP shall pay such Interest to the Partners on Capital Contribution in the LLP as may be decided by the majority of the Partners.

14. If any partner advances any sum of money to the LLP over and above his Capital Contribution, the same shall be a debt due from the LLP to the said partner and shall carry simple interest at the rate of .......% per annum or any other rate decided by the partners by majority/unanimously. Rights of the Partners

15. All the partners hereto shall have the rights, title and interest in all the assets and properties in the said LLP in the proportion of their Capital Contribution.

16. All the partners of the LLP shall be the working partners and each of the partners shall give time and attention as may be required for the fulfillment of the objects of the LLP business.

17. Every partner has a right to have access to and inspect and have copy any of the books of the LLP.

18. Each of the parties hereto shall be entitled to carry on their own, separate and independent business as they might hitherto be doing or 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 starting or commencing the independent business and in case of a business directly or indirectly competing with that of the LLP taken written consent of the LLP, provided also that he/she/it shall not use the name of the LLP to carry on the said business.

19. The LLP shall have perpetual succesision and the death, retirement or insolvency of any partner shall not dissolve the 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 partnership as herein provided. However, upon insolvency of a partner his or her rights, title and interest in the LLP shall come to an end.

21. Upon the death of any of the partners herein any one of his or her or its heirs will be admitted as a partner of the 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.

22. On the death of any partner, if his or her or its heirs opt not to become the partner, the surviving partners shall have the option to purchase the contribution of the deceased partner in the LLP. Duties of the Partners

23. Every partner shall account to the limited liability partneriship (LLP) for any benefit derived by him without the consent of the LLP from any transaction concerning the LLP, or from any use by him of the property, name or any business connection of the LLP.

24. Each Partner shall be just and faithful to the other partners in the conduct of business and all the transactions relating to the LLP.

25. Every partner shall indemnify the limited liability partneriship (LLP) and the other existing partners for any loss caused to it by his/her/its fraud in the conduct of the business of the limited liability partnership (LLP).

26. Each partner shall render true accounts and full information of all things affecting the LLP to any partner or his legal representatives.

27. In case any of the Partners of the LLP desires to transfer or assign his, her or its interest or share in the LLP he has to offer the same to the remaining partners by giving 15 days notice. In the absence of any communication by the remaining partners the concerned partner can transfer or assign his share in the market.

 28. No partner shall without the written consent of the LLP, –

(1) Engage any employee or dismiss any employee of the LLP except for gross misconduct.

(2) Employ any money, goods or effects of the LLP or pledge the credit thereof except in the ordinary course of business and upon the account or for the benefit of the LLP.

 (3) Lend money or give credit on behalf of LLP or have any dealings with any person, company or firm whom the LLP has previously in writing forbidden it to trust or deal with. Any loss incurred through any breach of the provisions shall be made good to the LLP by the partner incurring the same.

(4) Enter into any bond, bail or become guarantor, surety or security with or for any person or knowingly do, cause or suffer to be caused anything whereby the LLP property or any part thereof may be seized or endangered.

(5) Assign, mortgage or charge his/her/its share in the LLP or any asset or property of the LLP or make any other person a partner or sub-partner therein.

(6) Compromise or compound or release or discharge any debt due to the LLP (except upon payment in full).

(7) Engage directly or indirectly in any business competing with that of the limited liability partnership (LLP). Meetings of Partners of the LLP

29. All matters related to the LLP as mentioned in Schedule B to this LLP Agreement shall be decided by a Resolution passed by majority in number of the partners & for this purpose each partner shall have one vote.

30. The meeting of the Partners may be called by sending 15 days prior notice to all the partners at their residential address or by mail at the e-mail ID provided by the individual Partners in written to the LLP. In case any partner is a foreign resident the meeting may be conducted by serving 15 days prior notice through e-mail. Provided that the meeting may be called at shorter notice, if the majority of the partners agree in writing to the same either before or after the meeting. In case, any urgent meeting is called, the notice requirement may be ratified by all the Partners.

31. Meetings of the Partners shall ordinarily be held at the Registered Office of the LLP or at any other place as per the convenience of partners.

32. With the written Consent of all the partners, a Meeting of the Partners may be conducted through TeleConferencing or Video-Conferencing.

33. The limited liability partnership (LLP) shall ensure that deciisions taken by it are recorded in the minutes within thirty days of taking such decisions and are kept and maintained at the registered office of the LLP. Duties of Designated Partners

34. Authorised representatives of the First Party and the Second Party shall act as the Designated Partners of the LLP in terms of the requirements of the Limited Liability Partnership Act, 2008 (6 of 2009).

35. Designated Partners shall be responsible for the doing of all acts, matters and things as are required to be done by the limited liability partinership (LLP) in respect of compliance of the provisions of the LLP 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 and deeds arising out of this LLP Agreement.

37. Each partner shall punctually pay and discharge the separate loans and debts and indemnify the other partners and the LLP assets against any loss caused or suffered by the LLP and all proceedings, costs, claims and demands from the LLP in respect thereof. Books of Account

38. Books of Accounts of the limited liability partinership (LLP) shall be kept at the registered office of the LLP for reference, access, inspection and having copies of by all the partners.

39. The accounting year of the LLP shall be the Financial Year, i.e., from 1st April of the year to 31st March of the subsequent year. The first accounting year shall be from the date of commencement of the LLP till 31st March of the subsequent year. Bank Accounts

40. Bankers of the partnership shall be ......................... Bank, ............. Branch and/or such other Bank or Banks as the partners may from time to time be agree upon by majority/ unanimously.

41. Bank Accounts of the LLP including Loans, Advances & Credit Limits, if any, from the Banks and Financial Institutions taken by the LLP, may be opened and operated by the Designated Partners and other Partners either singly or jointly as may be agreed upon from time to time by the partners by majority/ unanimously. Extent of Liability of the LLP

 42. The LLP is not bound by anything done by a partner in dealing with a person if – (1) the partner in fact has no authority to act for the LLP in doing a particular act; and (2) the person knows that he has no authority or does not know or believe him to be a partner of the LLP. Indemnity

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

(1) in the ordinary and proper conduct of the business of the limited liability partnership (LLP); or

(2) in or about anything necessarily done for the preservation of the business or property of the limited liability partnership (LLP).

44. The 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 LLP, except for the gross negligence or willful misconduct of the partner or officer seeking indemnification. Arbitration

45. All disputes between the partners or between the Partners and the LLP arising out of the LLP Agreement which cannot be resolved in terms of this LLP Agreement shall be referred for arbitration as per the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996). Cessation of existing Partners

46. Any partner may cease to be a partner of the LLP by giving a notice in writing of not less than 30 days to the other partners of his intention to resign as partner.

47. 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 the LLP with fraudulent purpose. Winding up of the LLP

48. The LLP can be wound up with the consent of all the partners subject to the provisions of the Limited Liability Partnership Act 2008. IN WITNESS WHEREOF the parties have put their respective hands the day and year first hereinabove written. Signed and delivered by For and on behalf of ....................

(Name of the LLP)

(Partner) (Partner) (Partner)

Witnesses:

1. Name: ……………………………………..

Address: ……………………………………..

Signature: ……………………………………..

2. Name: ……………………………………..

Address: ……………………………………..

Signature: ……………………………………..

SCHEDULE A

Incidental, Ancillary or Other Business of the LLP

 (1) THE OBJECTS OR BUSINESS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS OR BUSINESS ARE:

(2) THE OTHER BUSINESS ARE: SCHEDULE B MATTERS TO BE DECIDED BY A RESOLUTION PASSED BY A MAJORITY IN NUMBER OF THE PARTNERS