

Format of LLP agreement:

LLP AGREEMENT

Of

_____ LLP

(As per Section 23(4) of the Limited Liability Partnership Act, 2008)

This Agreement of LLP made at XXXX on this ____.

BETWEEN

1. _____ (An Indian Resident) 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. _____ (An Indian Resident) 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.
- 3.

(THE FIRST AND THE SECOND PARTY SHALL BE COLLECTIVELY REFERRED TO AS DESIGNATED PARTNERS AND THE THIRD PARTY SHALL BE REFERRED TO AS PARTNER)

NOW, the above Parties are interested in forming a Limited Liability Partnership under the Limited Liability Partnership (LLP) Act, 2008 and that they intend 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. LLPIN (Limited Liability Partnership Identification Number):

The LLPIN is: _____

2. NAME:

A Limited Liability Partnership shall be carried on in the name and style of XXXX LLP and hereinafter called as LLP.

3. REGISTERED OFFICE:

The registered office of the LLP will be situated at (XXX Address XXX).

4. DATE OF COMMENCEMENT:

The LLP as constituted under this Deed shall be deemed to be have commenced on the 4-day of March, 2020.

5. BUSINESS:

The business of the LLP shall be:

To provide strategic consultancy and resources to startups and other businesses in India.

6. CAPITAL CONTRIBUTION:

S. No	Name of Partner	Nature of Contribution	Amount of Contribution
1.			
2.			
3.			
Total			

The total contribution of the Partners in the LLP shall be Rs. XXXX(XXXX only) which shall be contributed by the Partners in the above proportions. The further Contribution, if any, required by the LLP shall be brought by the Partners in their existing capital contribution ratio or at any ratio as agreed and decided by the all of the partners.

7. NET PROFIT/ LOSS OR DISTRIBUTION OF PROFITS

The net profits of the LLP arrived at after providing for payment of remuneration to the working Partners or designated Partners and interest to Partners on the loan given by them shall be divided by the Partners in the following ratio:

S. No	Name of Partner	Percentage of Profit/ Loss
1.		
2.		
3.		

The losses of the LLP including loss of Capital, if any, shall be borne and paid by the Partners in their Profit sharing ratio.

8. DESIGNATED PARTNERS:

S. No	Name of Partner	DIN
1.		
2.		

9. PARTNERS:

S. No	Name of Partner	PAN
1.		
2.		

10. ACTS, THINGS REQUIRED TO BE DONE BY A DESIGNATED PARTNER IN RESPECT OF THE COMPLIANCE OF THE PROVISIONS OF THE LLP ACT:

- Every designated partner to obtain a DIN (Director Identification Number).
- Designated Partners to give at least 90 days prior notice before resigning from the LLP.
- Prior consent of the Designated Partner is obligatory before becoming a designated partner.
- Every partner shall cease to be a partner in accordance with the LLP agreement and not
- Resigning partner to file notice of resignation with the Registrar if he/she has reason to believe that LLP would not file the same with Registrar.
- Every Partner & Designated Partner shall give information asked by Registrar to be

11. PARTNERS' POWERS & DUTIES:

12. Powers, Duties and Authority of each Partner

1. Powers of Partners:

Unless otherwise decided, all the Partners hereto shall have the following powers:

- The rights, title and interest in all the assets and properties in the said LLP in the proportion of their Contribution to the Capital of the LLP.
- Shall have access to and rights to inspect and copy Account books of the LLP, unless it is proved detrimental to the functioning of the LLP.
- Engage or dismiss employee/s of the LLP.
- Each of the Partner hereto shall be entitled to carry on their own, separate and independent business as hereto he/she might be doing or he/she 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 and moreover he/she shall not be engaged in any business which is same or similar to the nature of business in which LLP is engaged and shall not directly or indirectly use the name of the LLP to carry on the said independent business.
- If any Partner shall advance any sum of money to LLP over and above his/her due contribution to Capital, the same shall be a debt due from the LLP to the Partner advancing the same and shall carry simple interest at the rate of 12 (Twelve) % per annum or any other rate as may be decided by all the Partners.
- LLP shall have perpetual succession. So, death, retirement or insolvency of any Partner shall not dissolve the LLP.

- On retirement of a Partner, the retiring Partner shall be entitled to full payment in respect of all his/her rights, title and interest in the LLP. However, upon insolvency of a Partner his/her rights, title and interest in the LLP shall come to an end. Upon the death of any of the Partners the heir/executors/administrator of such deceased partner would be admitted as decided mutually between existing partners. The heirs, executors and administrators of such deceased Partner shall be entitled to and shall be paid the full payment in respect of the right, title and interest of such deceased partner.
 - On the death of any Partner, if his/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 LLP.
1. Duties of Partners:

Unless otherwise decided, all the Partners hereto shall have the following duties:

- Each Partner shall be just and faithful to the other Partners in all transactions relating to the
 - Each Partner shall render true accounts and full information of all things affecting the LLP to any Partner.
 - Every Partner shall account to the LLP for any benefit derived by him/her without the consent of the LLP of any transaction concerning the LLP, or for any use by him/her of the property, name or any business connection of the LLP.
 - Punctually pay and discharge the separate debts and engagement and indemnify the other Partners and the LLP assets against the same and all proceedings, costs, claims and demands in respect thereof.
 - Designated Partners are responsible for doing all the acts required to be done in accordance with the provisions of the Limited Liability Partnership (LLP) Act 2008.
1. Authority of Partners:
- A Partner may lend money and transact other business with LLP and has the same rights and obligations with respect to loan or other transaction as a person who is not a Partner.
1. Mutual Rights & Duties of Partners:
- Mutual Rights and Duties of the Partners shall be governed by the LLP agreement.
 - Changes in the LLP Agreement from time to time, if any, must be filed with the Registrar of LLP.
 - Agreement in writing made before incorporation of LLP may be binding, if ratified by all the Partners after incorporation.
 - Person may cease to be a Partner in accordance with the LLP agreement, and he/she shall give 90 days prior notice to the LLP.
 - Retiring Partner shall not have any right to interfere in future working of the LLP.
 - Partner shall intimate to the LLP any change in his/her name, address or other details.
- Mutual Rights & Duties of LLP and Partners:
- All Partners will be agents of LLP but not that of other Partners.
 - LLP or other Partners have no liability if a Partner does anything:
 1. For which he has no authority.
 2. The person who is dealing with the Partner knows or has reason to believe that the Partner has no authority.
 - LLP shall not be liable to any person, if a Partner does something which is wrongful by exceeding his/her authority and the said Partner shall be personally liable.
 - Obligation of LLP arising out of contract or otherwise shall solely be that of LLP and not that of
 - No Partner shall be liable directly or indirectly for any wrongful act, deed or omission done by other Partner/s.
1. Restrictions on Partners' Authority:

Unless otherwise decided, no Partner shall:

- Without the written consent of majority of Partners, holding Capital of 51% of the total Capital of the LLP, transfer or assign his/her interest or capital contribution in the LLP to any third party other than the existing Partners.
2. Management & Administration:
3. Acts, matters or things to be done with the requisite number or percentage of Partners:
- The LLP, may, in addition to the registered office address, declare any other address as its Address for service of documents, under sub-section (2) of section 13. The consent of all the Partners of the LLP shall be required for such declaration.
1. Manner of Obtaining Consent:
- By Resolution passed in the meeting of the Partners and signed by majority of the Partners.
 - Procedure for calling, holding and conducting meetings:
 - The meeting of Partners may be called by giving 2 days' notice. In case if any urgent meeting is called the notice requirement is to be ratified by all the Partners.
 - The meeting of the Partners may be called by sending 2 days prior notice to all the Partners at their residential address or by email or by fax or in case of urgent meeting the same can be called by telephonic conversation but the notice requirement is to be ratified by all the Partners subsequently.
 - The matter discussed in the LLP meeting shall be decided by a resolution passed by a majority (51% or more share in Capital of LLP) in votes of the Partners, and for this purpose, each Partner shall have voting rights equal to his/her Capital Contribution ratio.
 - The meeting of Partners shall ordinarily be held at the registered office of the LLP or at any other place as per the convenience of special majority of Partners.
 - Subject to and so far as it is permitted by the Law, any meeting of the Partners can be held by participation of the Partners through tele-conferencing, video conferencing where the Partners are at different places, provided that each Partner who participates is able:
 - To hear each of the other participating Partners or members addressing the meeting; and

- If he/she so wishes, to address all the other members or Partners simultaneously, whether directly, by conference telephone, videophone or by any other form of communications equipment (whether in use when this Agreement is executed or developed subsequently) or by a combination of those methods;
 - A meeting held in this way shall be deemed to be taken place where the largest group of participating Members or Partners is assembled or, if no such group is readily identifiable, at the place from where the Chairman of the meeting participates.
 - The LLP may as and when required, decide to record the decisions taken at the meeting of the Partners and maintain a Minutes book which may be kept at the registered office of the LLP or at any other place as may be decided by the Partners from time to time.
3. Details of Indemnity:
- 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 wilful misconduct of the Partner or officer seeking indemnification.
 - The LLP shall indemnify each Partner in respect of payments made and personal liabilities incurred by him/her;
 1. In the ordinary and proper conduct of the business of the LLP; or
 2. In or about anything necessarily done for the preservation of the business or property of the
 - Every Partner shall indemnify the LLP and the other existing Partner/s for any loss caused to it by his/her fraud in the conduct of the business of the
4. Admission, Retirement, Cessation, Expulsion & Resignation of Partners:
1. Admission Of Partner
- New Partner shall not be introduced without the consent of special majority of Partners, holding Capital of 51% or more, whether held individually or collectively, of the total Capital of the LLP. Such incoming partner shall give his/her/its prior consent to act as Partner of the
 - The Contribution of the Partner may be tangible, intangible, moveable or immoveable property and the incoming Partner shall bring minimum capital contribution of cash or in kind for value equivalent to Rs. 1,000.
1. Retirement, Cessation, Expulsion & Resignation
- Partners to give at least 90 days prior notice before resignation.
 - A Partner can be expelled from the LLP by all of the Partners, holding Capital of 51% or more, whether held individually or collectively, of the total Capital of the LLP.
5. Rights & Obligations of Partners on Admission, Retirement Cessation, Expulsion or Resignation:
- Cessation in itself does not discharge the Partner from obligation to LLP or any other Partner or Partners or other persons which he/she incurred while being a Partner.
 - When a Partner ceases to be a Partner, unless contrary to the LLP Agreement, the ceasing or outgoing Partner or any other person entitled on his/her behalf to his/her share in consequence of death or insolvency of ceasing or outgoing Partner shall be entitled to an

Amount equal to Capital Contribution (+) Accumulated Profits & Assets (-) Accumulated Losses & Liabilities.

6. Resolution of Disputes:
- All disputes between the Partners or between the Partner and the LLP arising out of the LLP 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) for the time being in force or any other statutory modification or re-enactment thereof.
7. Duration of LLP:
- LLP shall have perpetual succession. So, death, retirement or insolvency of any partner shall not dissolve the LLP.
 - LLP shall not be dissolved even if notice of dissolution is given by any partner or partners, unless dissolved by full consent of all the partners in writing.
8. Voluntary Winding Up:
- Voluntary winding up of the LLP shall be as per the provisions of the LLP Act, 2008 and the Rules for the time being in force or any other statutory modification or re-enactment thereof.
9. Important Provisions:
1. Change in registered office address:
- The LLP may change its registered office from one place to another by following the procedure as laid down in the LLP Act, 2008 and/or the Rules for the time being in force or any other statutory modification or re-enactment thereof.
1. Additional Address for service of documents:
- The LLP, may, in addition to the registered office address, declare any other address as its address for service of documents, under sub-section (2) of section 13. The consent of majority of Partners, individually or collectively holding 51% or more of the Capital of the LLP shall be required for such declaration.

- Change in the name of the LLP:
 - The limited liability partnership may change its name by following the procedure as laid down in the LLP Act, 2008 and the Rules for the time being in force or any other statutory modification or re-enactment thereof.
1. Removal of an Auditor:

- The Partners of a LLP may remove an Auditor, if any, from office at any time by following the procedure as laid down in the LLP Act, 2008 and the Rules for the time being in force or any other statutory modification or re-enactment thereof.

10. Miscellaneous Provisions:

1. Remuneration to Partners

- It is agreed by and in between the Partners that all the working partners will be entitled to remuneration as per the provisions of Section 40(b) of the Income Tax Act, 1961 and amendments made thereto. And accordingly, all the Partners are working Partners, unless otherwise specifically decided by the Partners.
- The remuneration payable shall be credited to their respective accounts on ascertainment of Book profits.

1. Bank Account:

- The partners shall open one or more Bank Accounts in the name of the LLP and the account so opened shall be operated as mutually decided by the parties.

• Accounting year:

- The accounting year of the LLP shall be from April of the year to 31st March of subsequent year. The first accounting year shall be from the date of commencement of this LLP till 31st

1. Immovable Properties:

- That the immovable properties purchased by the LLP shall be clear, marketable and free from all encumbrances.

IN WITNESS WHEREOF the parties have put their respective hands the days and year first herein above written

Signed and delivered by the

For and on behalf of

XXXX LLP

1. Mr. _____
(Party to the First part)

2. Mr. _____
(Party to the Second

BAV