

Limited Liability Partnership Agreement

Of

_____LLP

This Agreement of Limited Liability Partnership made at ____ this _____

BETWEEN

1. Mr. _____ son of _____ residing at _____ and hereinafter called the party of the **FIRST PART**; (which expression shall, unless it be repugnant to the subject or context thereof, include their legal heirs, successors, nominees and permitted assignees) and
2. Mrs. _____ daughter of _____ residing at _____ and hereinafter called the party of the **FIRST PART**; (which expression shall, unless it be repugnant to the subject or context thereof, include their legal heirs, successors, nominees and permitted assignees).

All the parties hereto shall be collectively referred to as Partners. All the Parties hereto are interested in forming a Limited Liability Partnership under the Limited Liability Partnership Act, 2008 and have incorporated _____ (LLP Identification No. _____), pursuant to section 12(1) of the Limited Liability Partnership Act, 2008 vide certificate of incorporation dated _____ and that they intend to record the terms and conditions of the said formation and;

Now 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** (hereinafter called as “_____ or the LLP”).
2. **LLP** shall have its registered office _____ and/or at such other place or places, as may be agreed to by the majority of the partners from time to time.
3. The LLP as constituted under this Agreement shall be deemed to have commenced on ____ day of ____ 2024.
4. The Contribution of the _____ **LLP** shall be Rs. _____/- (RUPEES ONE LAKH) with proportion of each partner as detailed herein below: -

Sr. No.	Name	Contribution in Figures	% of Contribution	Contribution in Words
1.				
2.				
Total				

Further contribution if any, required by the LLP shall be brought in by the partners in their profit-sharing ratio.

5. The contribution brought in by Partners shall be credited to their respective Capital account. The partners shall be entitled to simple interest, on the amount contributed by them from time to time. The rate of interest may be decided by the Partners from time to time. However, the rate of interest shall not exceed the rate prescribed under section 40(b)(iv) of the Income Tax Act, 1961.
6. The LLP shall have a common seal to be affixed on documents as defined by partners under the signature of both Designated Partners.
7. All the Partners of the LLP are entitled to share profit and losses, including that of capital nature, in the ratio of their respective contribution in the LLP.
8. The business activity to be carried out by the LLP shall be: -
 1. To Carry On The Business Of _____.

Working Partners and Remuneration

9. All the parties hereto have agreed to work in the partnership firm as working partners. It is hereby agreed that they shall be entitled to remuneration as under:
 - (i) First, the aggregate amount of remuneration deductible from the computation of income of the firm as provided under section 40 of the Income Tax Act, 1961 as per the Finance Act, 1992 and as amended from time to time shall be determined.
 - (a) Such sum hereafter be called as 'aggregate' remuneration.
 - (b) Each partners shall be paid remuneration as under: -

(1) Mr. _____ will be paid 85 per cent of aggregate remuneration

(2) Ms. _____ will be paid 15 per cent of aggregate remuneration

(c) The firm shall credit the account of each partner to whom remuneration is so payable, as detailed at sub-clause (b) above on 31st march each year OR in case of dissolution of firm on the date of dissolution.

(ii) For the purpose of above calculation, 'Book Profit' shall be computed as defined in Explanation – 3 to Section 40 of the Income Tax Act, 1961 or any other applicable provision as may be in force for the Income tax assessment of the partnership firm for the relevant accounting period.

(iii) The remuneration payable to the above-said partners shall be credited to their respective accounts at the close of the accounting period when final accounts of the partnership are made up and the amount of remuneration shall fall due to them as determined in the above manner. However, nothing herein contained shall preclude any of the said partners from withdrawing any amount from the partnership firm against the amount standing to the credit of his / their capital and / or current or loan account or his / their share of profit for the relevant accounting year or his / their anticipated remuneration in such manner as may be decided by the partners by mutual consent.

(iv) The partners shall be entitled to increase or reduce the above remuneration and may agree to pay remuneration to other working partner or partners as the case may be. The parties hereto may also agree to revise the mode of calculating the above-said remuneration as may be agreed to by and between the partners from time to time.

(v) It is further agreed that if the agreed remuneration referred to in clause (ii) above exceeds the book profit, the remuneration payable to working partner / partners shall be restricted to the extent of available book profit and to be allocated to working partners mentioned in clause No. 11(i) in the same ratio as mentioned in the said clause No. 11(i). It is clarified that in the case of loss, no remuneration shall be payable to working partners.

Admission of New Partner

10. The Partners may admit a new Partner, on such terms and conditions as they may decide. 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.

11. The incoming partner shall bring in contribution as may be decided by the existing partners at that time. The contribution of the partner may be tangible, intangible, moveable or immovable property.

12. The Profit sharing ratio of the incoming partner shall be in proportion to his/her contribution towards LLP.

13. Subject to the Limited Liability Partnership Act, 2008 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 contribution.

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

Rights of Partner

15. 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 fact to the LLP before the start of the independent business and moreover he shall not use the name of the LLP to carry on the said business. For new incoming partner separate rules may be framed by the existing partners.

16. LLP shall have perpetual succession. Death, retirement or insolvency of any partner shall not dissolve the LLP. The remaining partners may continue the business of _LLP. However, if due to death, retirement or insolvency of any partner, the number of partners fall below two, then LLP shall be compulsorily wound up as per the provisions of Limited Liability Partnership Act, 2008 and Rules made there under.

17. Subject to any special provision/decision made by the partners unanimously, 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 (after deducting any dues). However, upon insolvency of a partner his or her rights, title and interest in the LLP shall come to an end.

18. Upon the death of any of the partners herein any one of his heirs will be admitted as a partner of the LLP in place of such deceased partner with same terms and conditions as were applicable to the deceased partner.

19. 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 rights of the deceased partner in the LLP. 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.

20. Every partner shall account to the 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.

Duties of Partners

21. Every partner shall indemnify the LLP and the other existing partners for any loss caused to it by his fraud in the conduct of the business of the LLP.
22. Each partner shall render true accounts and full information of all things affecting the LLP, to any partner or his legal representatives.
23. In case any of the Partners of the LLP desires to transfer or assign his interest or shares 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 to any person other than the existing partners.
24. No partner shall without the written consent of the LLP:
 - I. 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
 - II. Lend money or give credit on behalf of the or to have any dealings with any persons, company, LLP 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 by the partner incurring the same.
 - III. Enter into any bond or becomes surety or security with or for any person or do knowingly cause or suffer to be done anything whereby the LLP's property or any part thereof may be seized.
 - IV. Assign, mortgage or charge his or her share in the LLP or any asset or property thereof or make any other person a partner therein.
 - V. Compromise or compound or (except upon payment in full), release or discharge any debt due to the LLP except upon the written consent given by the other partners.

Meeting

25. 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 Email ids provided by the individual Partners in writing to the LLP. In case any partner is a foreign resident the meeting may be conducted by serving 15 days' prior notice through email. Provided that the meeting may be called at shorter notice, if majority of the partners agrees in writing to the same either before or after the meeting.
26. 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 partners.
27. With the written consent of all the partners, a meeting of the partners may be conducted through teleconferencing.
28. All the decisions taken shall be recorded in the minutes within sixty days of taking such decisions and such minute books are to be kept and maintained at the registered office of the LLP.
29. Each partner shall: -
 - I. Punctually pay and discharge the separate debts and engagement and indemnify the other partners and the LLP's 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 LLP business and they all shall be the working partners.

Duties of Designated Partner

30. The party of the First Part and Second Part shall act as the Designated Partners of the LLP in terms of the requirement of the Limited Liability Partnership Act, 2008.
31. 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 the Limited Liability Partnership Act, 2008.

32. The Designated Partners shall be responsible for the doing of all acts arising out of this agreement.
33. The Designated Partners shall be considered as "Working Partners". The LLP may pay such remuneration to all or any of the Working Partners as may be decided by the Partners from time to time. However, the amount of remuneration to the working partners shall not exceed the ceiling for such payment provided under section 40(b)(v) of the Income Tax Act, 1961.
34. 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 STEPUP INDIA LEGAL SERVICES LLP, except for the gross negligence, fraud or willful misconduct of the partner or officer seeking indemnification.

Cessation of existing Partners

35. A partner may cease to be a partner of the LLP by giving a notice in writing of not less than thirty days to the other partners of his intention to resign as partner.
36. 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 LLP with fraudulent purpose.
37. The LLP can be wound up with the consent of all the partners subject to the provisions of the Limited Liability Partnership Act, 2008.

Extent of Liability of LLP

38. 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 LLP in doing a particular act; and
 - II. the person knows that the partner has no authority or does not believe him to be a partner of the LLP.

Miscellaneous Provisions

39. 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 LLP; or
 - II. in or about anything necessarily done for the preservation of the business or property of the LLP.

40. The books of accounts of the LLP shall be kept at the registered office of the LLP for the reference of all the partners.

41. The accounting year of the 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 incorporation of LLP i.e._____.

42. The Share of Profit of each partner shall be credited to the respective Current Accounts of each partner

43. It is expressly agreed that the bank account of the LLP shall be operated by Mr. _____ (Designated Partners of LLP).

All disputes between the partners or between the Partner and the 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.

Mr. _____

ADDRESS: _____

DPIN: _____

DESIGNATED PARTNER 1/ FIRST PARTY

Mr. _____

ADDRESS: _____

DPIN: _____

DESIGNATED PARTNER 2/ SECOND PARTY

WITNESSES:

a) NAME:

ADDRESS:

OCCUPATION:

SIGNATURE:

b) NAME:

ADDRESS:

OCCUPATION:

SIGNATURE:
