

THIS Agreement of LLP made at Delhi this 15th Day of January,2016

BETWEEN

1. **Mr. X** S/o **Shri XY** R/o **123, New Delhi** residing at **Delhi** which expression shall, unless it be repugnant to the subject or context thereof, include his legal heirs, successors, nominees and permitted assignees and hereinafter called the FIRST PARTY, and
2. **Mr. Y** S/o **Shri YZ** R/o **345, New Delhi** residing at **Delhi** which expression shall, unless it be repugnant to the subject or context thereof, include his legal heirs, successors, nominees and permitted assignees and hereinafter called the **SECOND PARTY**, and

THAT THEY ALL SHALL BECOME Partners who shall be Designated Partners on incorporation of the LLP to carry on the partnership business as a Limited Liability Partnership (LLP) registered under the provisions of Limited Liability Partnership Act, 2008 (LLP Act) with a view to share the profits/losses on the following terms.

DEFINITIONS In this agreement, unless the context otherwise requires:-

"**Accounting year**" means the financial year as defined in the Limited Liability Partnership Act, 2008.

"**Act**" or "**LLP Act**" means the Limited Liability Partnership Act, 2008

"**Business**" includes every trade, profession service and occupation.

"**Designated Partner**" means any partner designated as such.

"**LLP**" means the limited liability partnership formed pursuant to this LLP Agreement.

"**LLP Agreement**" means this Agreement or any supplement thereof determining the mutual right, duties and obligations of the partner in relation to each other and in relation to LLP.

"**Partner**" means any person who becomes a partner in the LLP accordance with this LLP Agreement

1. **Name:** Limited Liability Partnership shall be carried on in the name and style of **XYZ LLP** and hereinafter called as **XYZ LLP**.
2. **Business:** The Partnership business shall be of processing, franchises, hotel & restaurants business, distributorship, agency, and otherwise deal in all kinds of drinking products, mineral water, soft drinks, aerated mineral water, fruit drinks, artificial flavored drinks, condensed milk and drinking products of all kinds and other consumable provision of every description for human consumption until and unless changed as per the mutual decision of all the partners of the LLP at the time of the decision.

Place of Office: The partnership business shall be carried on at the under mentioned address, which shall also be its registered office **ABC, Delhi**

The business shall also be carried from such other places as may be mutually decided by the partners from time to time.

3. **Duration:** The Partnership shall commence from the date of registration of the firm, and shall continue to operate in accordance with the provisions of LLP Act, 2008 and rules framed there under, until termination of this agreement with the mutual consent of all the partners.
4. **Contribution:** The Contribution of the LLP shall be Rs 100,000 (Rupees One Lac only) which shall be contributed by the partners in the following proportions- First Party- 80% i.e. Rs 80,000 (Rupees Eighty Thousand only), Second Party 20% i.e. Rs Twenty Thousand (Rupees Twenty Thousand only). The further Contribution if any required by the LLP shall be brought by the partners in their profit sharing ratio.
5. **Number of Designated Partners:** The maximum number of designated partners appointed for the LLP shall be as mutually agreed between the partners initially at the time of incorporation of LLP or as decided by the designated partners of the LLP from time to time unanimously.
6. **Sleeping Partners:** All the partners other than those appointed as the designated partners of the LLP shall be sleeping partners, and they shall not interfere with the day to day conduct of business of the LLP.
7. **Common Seal:** LLP shall have a common seal to be affixed on documents as defined by partners under the signature of any of the Designated Partners.
8. **Immovable Properties:** The immovable properties purchased by the LLP shall be clear, marketable and free from all encumbrances.
9. **Audit:** The Statement of Accounts and Solvency of LLP mad each year shall be audited by a qualified Chartered Accountant in practice in accordance with the rules prescribed under section 34(3) of the LLP act, 2008, namely, rule 24 of the LLP Rules & Forms, 2008. It shall be the responsibility of the Designated Partners of the LLP to comply with Rule 24 of the rules.
10. **Remuneration to Partners:** No partners shall be entitled to any remuneration for taking part in the conduct of the LLP's business.
11. **Drawings:** Each partner may draw out of the partnership funds as drawings from the credit balance of his income account. Such drawls shall be duly accounted for in the yearly settlement of accounts and divisions of profits of the partnership at the end of each financial year.
12. **Interest on Capital or Loan :** Interest at the rate of 12% per annum on the capital contributed or loan given or credited as given by each of the partners and standing to his credit as on the first day of each calendar month for the previous month out of the gross profits of the partnership business shall be credited in the respective accounts, and such interest shall be cumulative such that any deficiency in one financial year shall be made up out of the gross profits of any succeeding financial year or years.
13. **Business transaction of partner with LLP :** A partner may lend money to and transact other business with the LLP, and in that behalf the Partner shall have the same rights and obligations with respect to the loans or other business transactions as a person who is not a Partner.
14. **Profits and Losses:** Profits and losses of the Partnership business in each financial year shall be divided between and borne by the Partners in the proportion of their respective capital contribution standing to their credit in the books of the Partnership as on the last date of the relevant financial year.

Partnership profits and losses computed as due shall be charged or credited to the separate income account of each Partner. If a Partner has no credit balance in the income account, losses shall be charged to his capital account.

15. **Bankers:** 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.
16. **Accounting year:** 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 commencement of this LLP till 31st March of the subsequent year.
17. **Place of keeping books of accounts:** The books of accounts of the firm shall be kept at the registered office of the LLP.
18. **Division of Annual profits of LLP:** As soon as the Annual Statements of Accounts and Solvency shall have been signed by the Partners and the same duly audited and the auditor rendering his report thereon, the net profits, if any of the LLP business, shall be divided between the partners in the proportion specified in and in accordance with the provisions of this Agreement.
19. **Term of validity of deed:** Duration of this Agreement shall be at will beginning from the date above mentioned, subject to the condition that this deed may be revoked by mutual consent in writing of the Parties hereto upon such terms and conditions or with such modifications as may be mutually agreed upon between them.
20. **Arbitration:** In the event of any dispute or differences arising between the parties hereto either touching or concerning the construction, meaning or effect of this Deed or the respective rights and liabilities of the parties hereto, or their enforcement there under, it shall be first settled amicably through discussions between the parties and if not resolved then otherwise referred to the arbitration of a Sole Arbitrator if agreed upon, failing which to the Sole Arbitrator as appointed by the Court in accordance with the provisions of the Arbitration and Conciliation, Act 1996. The arbitration proceedings shall be conducted at **New Delhi** in English language.
21. **Audit:** The Statements of Accounts and Solvency of the LLP made each year shall be audited by a qualified Chartered Accountant in practice in accordance with the rules prescribed under section 34(3) of the LLP Act, 2008, namely, Rule 24 of the LLP Rules & Forms, 2008. It shall be the responsibility of the Designated Partners of the LLP to comply with Rule 24 of the said Rules in every respect.
22. **Severability:** This deed constitutes the entire understanding/agreement between the parties taking precedence over and superseding any prior or contemporaneous oral or written understanding. Unless otherwise provided herein, this deed cannot be modified, amended, rescinded or waived, in whole or part except by a written instrument signed by all the parties to this deed. The invalidity or unenforceability of any terms or provisions of this deed shall not affect the validity or enforceability of the remaining terms and provisions of this deed, which shall remain in full force and effect.

ADMISSION OF NEW PARTNER

23. The new partner cannot be introduced without the consent of all the existing partners. Such incoming partner shall give his prior consent to act as Partner of the LLP.

24. The Contribution of the partner may be tangible, intangible, Moveable or immoveable property and the incoming partner shall bring minimum contribution as may be mutually decided between the partners of the LLP.
25. Person whose business interests are in conflict to that of the firm shall not be admitted as the Partner.
26. The Profit sharing ratio of the incoming partner will be in proportion to his contribution towards the capital of LLP.

RESIGNATION/ RETIREMENT OF PARTNER

27. Any Partner may cease to be Partner of the LLP by giving a notice in writing of not less than thirty (30) days to the other Partners of his intention to resign/ retire as Partner.
28. On the expiry of the notice period or at an earlier date at the discretion of continuing Partners, the resigning/ retiring Partner shall cease to be a Partner in the LLP.
29. The accounts of the LLP shall be taken as closed on the date of resignation/retirement/ transfer of partners' rights to other persons/ person other than existing partners, and the amount found due from or payable to the Resigning/ Retiring Partner/ Partner whose rights are being transferred, shall be paid or recovered within three months of the date of resignation/ retirement. The business of the LLP with all its assets and liabilities shall be continued by the continuing Partners.

REMOVAL OF PARTNER

30. No Partner can be expelled by the other Partners or a majority of Partners except in where he / she have been found guilty of carrying on any activity / business of LLP for fraudulent purposes.
31. A Partner may be expelled by giving a notice of thirty (30) days from the date of decision taken by the majority of Partners, after giving an opportunity to such partner, to be heard.

CESSATION OF EXISTING PARTNERS

32. Partner may cease to be 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.
33. Majority of Partners can expel any partner in the situation where the partner has been found guilty of carrying of activity/business of LLP with fraudulent purpose or has been found to engage in a business which competes with the business of LLP.

RIGHTS OF PARTNER

34. All the partners hereto shall have the rights, title and interest in all the assets and properties in the firm in the proportion of their Contribution.
35. Every partner has a right to have access to and to inspect the books of accounts of the LLP.
36. 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 said fact to the LLP before the start of the independent business. Provided, the business is not in competition to the existing business being carried on by the LLP.

37. 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.
38. Upon the death of any of the partners herein any one of his or her heirs will be admitted as a partner of the LLP in place of such deceased partner.
39. On the death of any partner, if his or her legal heirs opt not to become the partner, the surviving partners shall have the option to purchase the contribution of the deceased partner in the firm.

DUTIES OF PARTNERS

40. Each Partner shall be just and faithful to the other partners in all transactions relating to the LLP.
41. Each partner shall render true accounts and full information of all things affecting the limited liability partnership to any partner or his legal representatives.
42. Every partner shall account to the limited liability partnership for any benefit derived by him without the consent of the LLP of any transaction concerning the limited liability partnership.
43. 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.
44. In case any of the Partners of the LLP desires to transfer or assign his interest or shares in the LLP he can transfer the same with the consent of all the Partners.
45. No Partner shall without the written consent of other Partners :-
 - Engage or except for gross misconduct, dismiss any employee of the partnership
 - Commit to buy any immovable property for the LLP
 - Summit a dispute relating to business of LLP business to arbitration.
 - 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.
 - Engage directly or indirectly in any business competing with that of the limited liability partnership.
 - Withdraw a suit filed on behalf of LLP.
 - Admit liability in a suit or proceedings against LLP.
 - Share business secrets of the LLP with outsiders.
 - Remit in whole or part debt due to LLP.
 - Go and remain out of station in connection with the business of LLP more than ____ days at a time.
 - Open a banking account on behalf of LLP in his name.
 - Draw and sign any cheque on behalf of LLP unauthorisedly on its bank account.
 - Give any unauthorized security or promise for the payment of money on account on behalf of the LLP except in the ordinary course of business.
 - Draw or accept or endorse unauthorisedly any bill of exchange or promissory note on LLP's account.
 - Lease, sell, pledge or do other disposition of any of the LLP's property otherwise than in the ordinary course of business.
 - Do any act or omission rendering the LLP liable to be wound up by the Tribunal.
 - Derive any profits from any transactions of the LLP or from the use of its name, resources or assets or business connection by carrying on a business of the nature as competes with that of the LLP.

DUTIES OF DESIGNATED PARTNER

46. Devote their whole time and attention to the said partnership business diligently and faithfully by employing themselves in it, and carry on the business for the greatest advantage of the partnership.
47. The Designated Partners shall be responsible for the doing of all acts, matters and things as are required to be done by the LLP 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, 2008.44. Protect the property and assets of the LLP.
48. Upon every reasonable request, inform the other partners of all letters, writings and other things which shall come to their hands or knowledge concerning the business of the LLP.
49. Punctually paid their separate debts to the LLP.
50. The Designated Partners shall be responsible for the doing of all such other acts arising out of this agreement.

MEETING

51. All the matters related to the LLP as mentioned in schedule II to this agreement 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.
52. 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 written 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 the meeting be called at shorter notice, if majority of the partners agrees in writing to the same either before or after the meeting.
53. 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.
54. With the written Consent of all the partners, a meeting of the Partners may be conducted through Teleconferencing.
55. Every limited liability partnership shall ensure that decisions 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.

MISCELLANEOUS PROVISIONS

56. LLP shall indemnify each Partner in respect of payments made and personal liabilities incurred by him:
57. in the ordinary and proper conduct of the business of the Limited Liability Partnership; or
58. in or about anything necessarily done for the preservation of the business or property of the Limited Liability Partnership.
59. The books of accounts of LLP shall be kept for the reference of all the Partners at the Registered Office of LLP or such other place as agreed by all the Partners.
60. The accounting year of 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 LLP till 31st March of the subsequent year.

59. The final accounts of LLP containing the Profit & Loss Account and Balance Sheet shall be made within six (6) months after the 31st March of the relevant accounting year and each Partner, if he agrees in writing by signing the Statement of Accounts so prepared, shall be bound by it and will not be entitled to re-open the accounts except with the consent of all the other Partners.
60. Notwithstanding anything said or provided herein, the Partners shall have full discretion to modify, alter, or vary the terms and conditions of this LLP Agreement, subject to the provisions of the Limited Liability Partnership Act, 2008, in any manner whatsoever as they may deem fit by mutual agreement which shall be reduced to writing and be signed by all the Partners and thereupon and the said writing shall become part of this LLP Agreement.
61. 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).

WINDING UP

62. LLP can be wound up with the consent of all the Partners subject to the provisions of Limited Liability Partnership Act, 2008.

IN WITNESS WHEREOF THIS DEED IS SIGNED BY TE PARTIES HERETO THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

Party of the First Part

Party of the Second Part

Witness 1:

Witness 2: