

**LLP AGREEMENT**  
*(As per Section 23(4) of LLP Act, 2008)*

THIS Agreement of Limited Liability Partnership made at [city name] this [date] day of [month], [year]

## BETWEEN

1. **[Partner name]**, residing at [partner address] 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,
2. **[Partner name]**, residing at [partner address] 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,
3. **[Partner name]**, residing at [partner address] 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 THIRD PARTY,
4. **[Partner name]**, residing at [partner address] 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 FOURTH PARTY,
5. **[Partner name]**, residing at [partner address] 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 FIFTH PARTY,
6. **[Partner name]**, residing at [partner address] 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 SIXTH PARTY,

(THE FIRST, SECOND, AND THIRD PARTIES SHALL BE COLLECTIVELY REFERRED TO AS **ORIGINAL PARTNERS**)

(THE FIRST, SECOND, THIRD AND FOURTH PARTIES SHALL BE COLLECTIVELY REFERRED TO AS **CONTINUING PARTNERS**)

(THE FIFTH AND SIXTH PARTY SHALL BE REFERRED TO AS AN **INCOMING PARTNERS**)

(THE FIRST, SECOND, THIRD, FOURTH, FIFTH AND SIXTH PARTIES SHALL BE COLLECTIVELY REFERRED TO AS **PARTNERS**)

WHEREAS [partner name] and [partner name] (collectively, the "**Retired Partners**"), the Original Partners and Retired Partners had formed a Limited Liability Partnership by the name of [Company Name] ("**LLP**") under the Limited Liability Partnership Act 2008 ("**Act**") by way of an agreement dated [date of commencement of original agreement]. ("**Original Agreement**").

Whereas the Retired Partners have retired from the LLP.

WHEREAS the Continuing Partners now desire to admit the Incoming Partners as additional partner in the LLP and the Incoming Partners are also willing to join the LLP on the terms hereinafter provided.

WHEREAS the Parties wish to amend terms of the Original Agreement.

WHEREAS the Partners desire to establish the LLP as a technology business owned and operated by all the persons working for the business as equal Partners with total alignment of all interest and with no Partner having any interest in any specific asset or property of the LLP except for the salary received by such Partner for services rendered to the LLP.

NOW THEREFORE, the Parties, hereby through this Agreement of Limited Liability Partnership intend to write down the revised terms and conditions of the said LLP.

IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO AS FOLLOWS:

1. The LLP as constituted under this Deed shall be deemed to have commenced on the [date of commencement].
2. The Limited Liability Partnership shall be carried on in the name and style of [Company Name] and such other name as the Partners may from time to time unanimously agree upon.
3. The duration of the LLP shall be for an indefinite period.
4. The LLP shall have its registered office at [office address] or at such other place or places, as shall be agreed to by the majority of the Partners and the Executives from time to time.
5. The capital of the LLP shall be [Rs 6,144]. The Partners hereto shall contribute in equal proportions to their respective capital contribution ratio.

	Contribution	Ratio
First Party	[Rs 1024]	[16.66%]
Second Party	[Rs 1024]	[16.66%]
Third Party	[Rs 1024]	[16.66%]
Fourth Party	[Rs 1024]	[16.66%]
Fifth Party	[Rs 1024]	[16.66%]
Sixth Party	[Rs 1024]	[16.67%]

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

7. **Business of the LLP**

(A) Main business:-

To design, develop, research, purchase, take on hire, import, export, sell, assemble, host, manufacture, test and distribute all types of hardware, software, electronic devices and

electronics with embedded software. To render services such as consultancy, support and training and all other allied activities for services mentioned above for Indian and overseas individuals or firms.

(B) Incidental or ancillary powers:-

Following powers shall be incidental or ancillary to the attainment of the main business of the LLP. LLP can exercise these powers as and when required.

- i. Obtaining rights, privileges, contracts, licenses, intellectual property rights, authorizations, permissions from Government or any other authority, company or person to carry out the business of LLP.
- ii. Take over any running firm, concern, LLP or body corporate carrying on similar business at a price mutually agreeable or to amalgamate with any other LLP or Company or body corporate having object similar or compatible to those of the LLP.
- iii. Become partner of another LLP or member of any Company.
- iv. Enter into compromise or agreement with any person.
- v. Appoint, deal with or act as agents, sub-agents, dealers, sub-dealers, distributors for selling or purchasing or dealing with the products or services related to the business of LLP.
- vi. Acquire or dispose of movable and immovable property, enter into agreement for purchase, sale or disposal of movable or immovable property.
- vii. Open, operate and close bank accounts, give and obtain guarantees, borrow funds from banks, financial institutions or any other person on security or without security and invest surplus funds of LLP in appropriate avenues.
- viii. Appoint, promote, remove or suspend employees and workmen, to take disciplinary actions and impose punishments on workmen and employees, to represent before Labour Courts, Industrial Tribunals, High Court and Supreme Court in labour matters.
- ix. Institute or defend any suit or show cause notice before any adjudicating authority, appellate authority, Tribunal or Court, to appoint consultants, advocates and authorized representatives for representing LLP.
- x. Grant general or special power of attorney to any person for the purpose of the business of LLP.
- xi. Do all such acts and things as may be necessary to carry out business of the LLP.

(Incidental or ancillary powers change according to actual condition)

**8. Remuneration of Partners**

The Partners shall receive remuneration by way of monthly salaries as below:

First Party	[salary of first party]
Second Party	[salary of second party]
Third Party	[salary of third party]
Fourth Party	[salary of fourth party]
Fifth Party	[salary of fifth party]
Sixth Party	[salary of sixth party]

The salaries shall be paid to the Partners irrespective of whether the LLP has any book profits as defined under the Income Tax Act, 1961. Any profit which remains with the LLP after payment of salaries shall be accumulated and retained as capital reserve in the accounts of the LLP.

9. **Profit Sharing**

No Partner shall be entitled to any share in the profits of the LLP. Partners shall only be entitled to receive remuneration as detailed in Clause 8 above.

10. **Executives**

- (a) The Partners may appoint such persons as Executives of the LLP as they deem fit with the consent of two-thirds of the Partners and the consent of the other Executives.
- (b) The Executives shall have the power and authority as may be mutually agreed between them and the LLP and shall be entitled to receive such remuneration as may be determined by the Partners from time to time.

11. **Transfer of business of the LLP**

The business of the LLP may be transferred by the LLP with the consent of two-thirds of the Partners of the LLP and the consent of the Executives of the LLP. In the event of transfer of business of the LLP, the sale consideration shall be divided into such number of parts as the number of Partners and Executives ("**Parts**"), with each Partner and each Executive being entitled to receive one Part.

12. **Bank Accounts**

- (a) The LLP may open and operate one or more bank accounts. All cheques shall be drawn and the bank account shall be operated in the name of the LLP and under the signature of any two of the Partners and Executives of the LLP as may be determined from time to time.

- (b) All LLP monies not required for current expenses as and when received shall be deposited into the bank account to the credit of the LLP account.

**13. Designated Partners**

- (a) The [Second] and [Fifth] Parties shall act as the Designated Partners of the LLP in terms of the requirement of the Act.
- (b) The Designated Partners shall be responsible for doing all the acts, matters and things as are required to be done by the LLP in respect of compliance of the provisions of the Act including filing of any document, return, statement and the like report pursuant to the provisions of the Act.
- (c) The Designated Partners shall be responsible for the doing of all acts arising out of this Agreement.
- (d) No separate remuneration will be given to any of the Designated Partners for their services in that capacity.

**14. Admission of New Partner**

- (a) No person may be introduced as a new partner without the consent of two-thirds of the existing Partners and the consent of the Executives.
- (b) If a new partner is introduced into the LLP, the shares of all Partners to the LLP shall undergo dilution in equal proportion.
- (c) All the Partners of the LLP shall have an equal interest in the LLP at all times.

**15. Removal or cessation of Existing Partners**

- (a) A Partner may be removed from the LLP with the consent of two-thirds of the other Partners of the LLP and the consent of the Executives.
- (b) A person may cease to be Partner of the LLP by giving a notice in writing of not less than 30 days to the other Partners and the Executives of his intention to resign as Partner. Such resignation to become effective need not be accepted by all the Partners and shall be effective and binding on the Partner tendering such resignation unless such resignation has been permitted to be recalled or revoked by all the Partners and the Executives.
- (c) A Partner shall cease to be a Partner on his/her death or on declaration of his/her insolvency by a competent court.
- (d) On the cessation/removal of a Partner, the interest of such Partner in the LLP shall be divided equally amongst the other Partners. Further, such exiting Partner shall only be entitled to receive the balance outstanding to his capital account and current account and shall not be entitled to claim anything from the reserves or assets of the LLP.
- (e) No Partner or Executive shall have any interest in the assets and goodwill of the LLP.

**16. Rights of Partners and Executives**

- (a) All the Partners and Executives shall have free access to the books of account of the LLP at all times and shall be at liberty to make such copies or extract there from as they may think fit.
- (b) Every Partner and Executive shall have the right to have access and to inspect and copy any books and records of the LLP.
- (c) Each Partner and Executive shall be entitled to carry his/her 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, Executives and the LLP shall have no objection thereto provided that the said Partner or Executive has intimated such fact to the LLP before the start of the independent business and moreover he / she shall not use the name of the LLP to carry on the said business.
- (d) The LLP shall have perpetual succession and the death or removal or resignation or insolvency of any Partner shall not result in the winding up and dissolution of the LLP.

**17. Duties of Partners and Executives**

- (a) Every Partner and Executive 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.
- (b) Every Partner and Executive shall indemnify the LLP and the other existing Partners and Executives for any loss caused to it by his/her fraud in the conduct of the business of the LLP.
- (c) Each Partner and Executive shall render true accounts and full information of all things affecting the LLP to other Partners and Executives.

**18. Restriction on Authority of Partners and Executives:-**

No Partner or Executive shall without the written consent of the LLP:

- (a) 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 LLP.
- (b) Lend money or give credit on behalf of the LLP or have any dealings with any persons, company or firm whom the other partners previously in writing have forbidden it to trust or deal with. Any loss incurred through any breach of these provisions shall be made good to the LLP by the partner incurring the same.
- (c) Enter into any bond or become sureties or secure with or for any person or do knowingly cause or suffer to be done anything whereby the LLP property or any part thereof may be seized/ endangered.
- (d) Compromise or compound (except upon payment in full) or release or discharge any debt due to LLP except upon the written consent given by the other partners.

19. **Meetings:-**

- (a) All the matter related to the LLP meeting shall be decided by a resolution passed by a majority in number of the Partners and Executives, and for this purpose, each Partner shall have one vote and each Executive shall have one vote.
- (b) The meeting of the Partners and Executives may be called by sending at least 15 (fifteen) days' prior written notice to all the Partners and Executives at their residential address or by mail at the email IDs provided by the individual Partners and Executives. However, a meeting may be called at shorter notice, if all the Partners and Executives agree in writing to the same either before or after the meeting.
- (c) The meeting of Partners and Executives shall ordinarily be held at the registered office of the LLP or at any other place as per the convenience of the Partners and Executives. With the written consent of all the Partners and Executives, a meeting of the Partners and Executives may be conducted through teleconferencing.
- (d) The Partners and Executives shall ensure that decisions taken by them are recorded in the minutes within 30 (thirty) days of taking such decisions and are kept and maintained at the registered office of the LLP.

20. **Audit of accounts**

The accounts of the LLP shall be audited irrespective of the turnover or capital by an auditor appointed with the consent of the Partners and the Executives.

21. **Extent of Liability of the LLP**

The LLP is not bound by anything done by a Partner or an Executive in dealing with a person if—

- (a) the Partner or Executive in fact has no authority to act for the LLP in doing a particular act; and
- (b) the person knows that he has no authority or does not know or believe him to be a Partner or Executive of the LLP.

22. **Winding up and dissolution of LLP**

- (a) Any resolution for winding up and dissolution of the LLP would require the consent of the Executives of the LLP, in addition to the consent of three-fourths of the Partners of the LLP.
- (b) Subject to the provisions of the Act and the Limited Liability Partnership (Winding up and Dissolution) Rules, 2010 in respect of overriding preferential payments, the assets of an LLP shall, on its winding up, be divided into such number of equal parts as the number of Partners and Executives. The Partners shall be entitled to receive one part each and the Executives shall be entitled to receive compensation for termination of employment equal to one such part.

23. **Indemnity**



The LLP shall indemnify and defend out of its funds each Partner and Executive in respect of payments made and personal liabilities incurred by him/her —

- (a) in the ordinary and proper conduct of the business of the LLP; or
- (b) in or about anything necessarily done for the preservation of the business or property of the LLP.

The LLP shall not indemnify any Partner or Executive in respect of any liability incurred by him on account of gross negligence or willful misconduct of such Partner or Executive.

**24. Management and Administration of LLP**

- (a) Books of Account required under the Act and Rules made thereunder shall be kept properly posted upto date and shall not be removed from the place of business of the LLP without the written consent of all the Partners and the Executives.
- (b) The books of account of the LLP shall be kept at the registered office for the reference of all the Partners and Executives.
- (c) The accounting year of the LLP shall be from 1st April of the calendar year to 31st March of subsequent calendar year. The first accounting year shall be from the date of commencement of this LLP till 31st March of the subsequent calendar year.
- (d) No alteration to or amendment in this LLP Agreement shall be valid unless it is in writing as a Supplement to this Agreement and duly signed by each Partner and Executive of the LLP as on the date of alteration or amendment.
- (e) The intellectual property generated by the LLP shall be owned solely by the LLP.
- (f) All disputes between the Partners and Executives or between a Partner/Executive and the LLP arising out of this LLP Agreement shall be referred to final and binding arbitration at the request of any of the Partners or Executives upon written notice to that effect to the other Partners and Executives. The arbitration shall be in accordance with the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996) (which is deemed to be incorporated into this agreement by reference). All arbitration proceedings shall be conducted in the English language. The venue of the arbitration shall be Bangalore, India, which shall be the seat of the arbitration and the courts of Bangalore, India shall have exclusive jurisdiction over the arbitration proceedings. The arbitration shall be conducted by a sole arbitrator appointed by the Partners and Executives collectively.

IN WITNESS WHEREOF the parties have put their respective hands the day and year first hereinabove written

Signed and delivered by the Parties

**Witness to signatories**

**First Party**

[witness name]

[witness address]

Signature\_\_\_\_\_

Signature\_\_\_\_\_

[name of first party]

**Second Party**

Signature\_\_\_\_\_

[name of second party]

**Third Party**

Signature\_\_\_\_\_

[name of third party]

**Fourth Party**

Signature \_\_\_\_\_

[name of fourth party]

**Witness to signatories**

[witness name]

[witness address]

Signature\_\_\_\_\_

**Fifth Party**

Signature\_\_\_\_\_

Signature \_\_\_\_\_

[name of fifth party]

**Sixth Party**

Signature \_\_\_\_\_

[name of sixth party]