

Section 2	DEFINITIONS																					
Sec 2(1)(l)	Financial Year	01/04/X1 - 31/03/X2 , If incorporated on/after 01/10/X1 then LLP can have this as their FY 01/10/X1 - 31/03/X3 or 31/03/X2																				
Sec 2(1)(ta)	Small limited liability	Contribution: ≤ 25L or higher amount not exceeding 5Cr T/O: ≤ 40L or higher amount not exceeding 50Cr																				
Section 5	Partners	Any Individual or body corporate may be a partner in a LLP Except: a.Unsound mind b.Undischarged Insolvent (as long as he has not discharged his debts) c.Himself adjudicated as an Insolvent, application still pending eg. if Mr.A has filed case on Mr. B of insolvency: Mr. B can be partner since Mr.B has not adjudicated himself as an insolvent. khud se file kiya toh hi aayega																				
Section 6	Minimum number of Partners	•Atleast 2 Partners  •Agar 2 partner hai, aur ek chala gaya and the other partner who is still running the business knows ki woh dusara partner chala gaya hai LLP se and if he runs the business for more than 6 months after he got to that dusara partner has left the business and he is running the business alone, then the partner who is running the business alone will be liable personally for the obligations of the LLP incurred during that period																				
Section 7	Designated Partners	•Atleast 2 DP: Individual [One of them should be Resident in India(120 days)]  •Agar LLP mai sab Body Corporate hai toh nominees of such body corporate shall act as DP  •Prior written consent shall be obtained from DP  •LLP shall intimate Registrar within 30 days of the appointment of DP  •Every DP shall have DPIN																				
Section 8	Liabilities of Designated Partners	DP Shall be:  •Responsible for all acts to be done by LLP in respect of compliance with this Act – including filing of document, return, statement etc; and  •Liable to all penalties imposed on LLP for contravention of those provisions																				
Section 9	Changes in Designated Partners	•LLP may appoint a DP within 30 days of vacancy arising and intimate the same to registrar within 30 days of appointment  •Agar new DP nhi appoint hua aur sirf 1 hi bacha hai toh: If partners A to H are normal partners and only I and J are designated partners, then when a designated partner, such as I, leaves, the remaining partners, A to H, will be considered deemed designated partners. This means that they will have to fulfill the responsibilities and obligations of designated partners																				
Section 10	Punishment for contravention of sections 7 and 9	<table><tr><td>Contravention of</td><td>Sec 7(1)</td><td>Sec 7(4)</td><td>7(5)</td></tr><tr><td></td><td>LLP to have at least 2 designated partners who are individuals and at least of them is resident in India.</td><td>Non-filing of particulars of designated partner.</td><td>When DP is disqualified as he didn't satisfy conditions and requirements</td></tr><tr><td>Who is liable</td><td>LLP &amp; Every Parnter</td><td>LLP &amp; DPs</td><td>LLP &amp; Every Parnter</td></tr><tr><td>Pentaly of</td><td>10,000</td><td>5,000</td><td>10,000</td></tr><tr><td>In case of continuing contravention with further penalty of</td><td>100/day, and max 1L for LLP and 50K for every partner</td><td>100/day, and max 50K for LLP and 25K for every DP</td><td>100/day, and max 1L for LLP and 50K for every partner</td></tr></table>	Contravention of	Sec 7(1)	Sec 7(4)	7(5)		LLP to have at least 2 designated partners who are individuals and at least of them is resident in India.	Non-filing of particulars of designated partner.	When DP is disqualified as he didn't satisfy conditions and requirements	Who is liable	LLP & Every Parnter	LLP & DPs	LLP & Every Parnter	Pentaly of	10,000	5,000	10,000	In case of continuing contravention with further penalty of	100/day, and max 1L for LLP and 50K for every partner	100/day, and max 50K for LLP and 25K for every DP	100/day, and max 1L for LLP and 50K for every partner
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INCORPORATION OF LLP		
Section 11	Incorporation Document	<p><b>Incorporation of LLP requires –</b></p> <ul style="list-style-type: none"> <li>• <b>2 or more persons</b> for carrying on a lawful business with a view to earn profit shall subscribe their name to an incorporation document.</li> <li>• Incorporation document shall be filed with Registrar of the State <b>[Form: FiLLIP]</b></li> <li>• <b>Statement</b> from Advocate or CA or Cost accountant and by any 1 subscriber that provisions compiled.</li> </ul> <p><b>Incorporation document shall -</b></p> <ul style="list-style-type: none"> <li>• State the NAME.</li> <li>• State the proposed BUSINESS.</li> <li>• State the ADDRESS of registered office.</li> <li>• State the NAME &amp; ADDRESS of partners.</li> <li>• State the NAME &amp; ADDRESS of DP.</li> <li>• Other prescribed information.</li> </ul>
Section 12	Incorporation by Registration	<p>Register shall give the certificate of incorporation within <b>14 days</b>. The certificate is signed by the registrar and is <b>conclusive evidence</b>.</p>
Section 13	Registered Office of LLP and Change therein	<ul style="list-style-type: none"> <li>• Every LLP must have a <b>registered office</b>.</li> <li>• A document may be served on LLP, partner or DP at the registered office or any other address specifically declared by LLP.</li> <li>• LLP may <b>shift</b> the registered office and file the notice of such change with Registrar.</li> <li>• <b>Contravention</b> of any provision: LLP and every Partner: <b>Penalty 500/Day, max 50,000</b>.</li> </ul>
Section 14	Effect of registration	<p>LLP, shall by its name, be capable of</p> <ul style="list-style-type: none"> <li>• <b>Suing</b> and being <b>sued</b>.</li> <li>• <b>Acquiring</b> and <b>holding</b> the property.</li> <li>• Having a <b>common seal</b>, if it decide to have one</li> <li>• Doing acts as a <b>body corporate</b>.</li> </ul>
Section 15	Name	<ul style="list-style-type: none"> <li>• Name shall contain the words <b>"Limited Liability Partnership"</b> or <b>"LLP."</b></li> <li>• In the opinion of CG, name shall not be undesirable; or identical to other LLP or trademark</li> </ul> <p>[Section 15(2)]</p>
Section 16	Reservation of name	<p>A person can apply to the Registrar, following the prescribed procedure and paying the required fee, to reserve a name for either:</p> <p>(a) A <b>proposed LLP</b>, or</p> <p>(b) A <b>name change proposal</b> for an existing LLP.</p> <p><b><u>RUNLLP Form</u></b></p> <p>Upon receiving an application and the prescribed fee, the Registrar may reserve a name for <b>3 months</b> if satisfied that it meets the criteria and isn't grounds for <b>rejection</b> under Section 15(2) rules.</p>
Section 17	Rectification of name of LLP	<p><b>1)</b> If LLP is registered by name which is identical with other LLP or company or trademark. The <b>Central Government</b> can <b>direct</b> the LLP to <b>change</b> its name <b>within 3 months</b> upon application from the <b>affected</b> entity or trademark proprietor. The application by the trademark proprietor must be made within <b>3 years</b> from the date of incorporation or name change of the LLP under this Act.</p> <p><i>Agar 3 saal baad affected party application file karti hai then it is void.</i></p> <p><b>2)</b> Upon changing its name or obtaining a new name, an LLP must <b>notify</b> the <b>Registrar</b> within <b>15 days</b>, providing the Central Government's order. The Registrar will <b>update</b> the <b>certificate of incorporation</b> accordingly. Additionally, the LLP must <b>change its name</b> in the <b>LLP agreement</b> within <b>30 days</b> of the certificate update.</p> <p><b>3)</b> If the LLP <b>fails</b> to comply with the direction given under subsection (1), the <b>Central Government</b> will assign a <b>new name</b> to the LLP. The Registrar will then <b>update</b> the register of LLP with the new name and issue a <b>fresh certificate</b> of incorporation reflecting the new name.</p>

PARTNERS AND THEIR RELATIONS		
Section 22	Eligibility to be partners	On the incorporation of a LLP, the persons who subscribed their names to the incorporation document shall be its partners and any other person may become a partner of the LLP by and in accordance with the LLP agreement.
Section 23	Relationship of partners	<ul style="list-style-type: none"> <li>• Mutual rights between LLP and partners shall be governed by LLP agreement</li> <li>• LLP agreement and any changes shall be filed with Registrar</li> <li>• A written agreement made before LLP incorporation among subscribing individuals can obligate the LLP if ratified by all partners post-incorporation.</li> </ul> <p><i>Pre-Incorporation of LLP kuch incorporation expenses bear kiye honge promoters ne, toh yeh kharcha LLP chalu hone ke baad LLP pe OBLIGATE kar sakte hai if agreed by all partners</i></p> <ul style="list-style-type: none"> <li>• In absence of agreement, mutual rights to be decided by First schedule.</li> </ul>
Section 24	Cessation of partnership interest	<p>(1) A person can stop being a partner of an LLP either by mutual agreement with other partners or, if there is no agreement, by giving a written notice of at least 30 days to the other partners stating their intention to resign.</p> <p>(2) Person will cease to be partner of an LLP</p> <p>a) On his death or dissolution of the LLP</p> <p>b) declared to be of unsound mind by court</p> <p>c) if he is declared as insolvent, or he has applied to be adjudged as an insolvent</p> <p>(3) If a person has stopped being a partner of an LLP ("former partner"), they are still considered a partner to anyone dealing with the LLP unless either:</p> <p>a) The person dealing with the LLP has been informed that the former partner is no longer a partner.</p> <p>b) Notice of the former partner's cessation has been provided to the Registrar.</p> <p>(4) The cessation of a partner from the LLP does not by itself discharge the partner from any obligation to the LLP or to the other partners or to any other person which he incurred while being a partner.</p> <p><i>Joh pehle galat karam kiye the uske ke liye aaj bhi obligated rahega</i></p> <p>(5) When a partner of an LLP stops being a partner, unless stated otherwise in the LLP agreement:</p> <ul style="list-style-type: none"> <li>• The former partner or his legal representative is entitled to receive: <ul style="list-style-type: none"> <li>o The capital contribution made by the former partner to the LLP.</li> <li>o Their share of accumulated profits after deducting accumulated losses of the LLP as of the date they ceased to be a partner.</li> </ul> </li> </ul> <p>(6) A former partner or their legal representative due to death or insolvency has no right to interfere in the LLP's management.</p>
Section 25	Registration of changes in partners	<p>Every partner shall inform the LLP of any change in his name or address within a period of 15 days of such change.</p> <p>Contravention of this provision will make the partner be liable to penalty of 10,000.</p> <p>An LLP must:</p> <p>(a) Notify the Registrar within 30 days if a person becomes or ceases to be a partner.</p> <p>(b) Notify the Registrar within 30 days of any change in the name or address of a partner.</p> <p>Notice:</p> <ul style="list-style-type: none"> <li>- Must be in the prescribed form and accompanied by the prescribed fees.</li> <li>- Must be signed by the designated partner and authenticated as prescribed.</li> <li>- If it concerns an incoming partner, must include a statement signed by that partner consenting to becoming a partner, authenticated as prescribed.</li> </ul> <p>Contravention of this provision will make LLP and every DP liable to penalty of 10,000.</p> <p>If a person ceases to be a partner of an LLP and believes the LLP may not file the required notice with the Registrar, they can file the notice themselves. The Registrar will then seek confirmation from the LLP. If no confirmation is received within 15 days, the Registrar will register the notice filed by the ceased partner.</p>
Section 26	Partner as agent	Every partner of a LLP is, for the purpose of the business of the LLP, the agent of the LLP, but not of other partners.

Section 27	Extent of liability of LLP	<p>The LLP is <b>not bound</b> by any actions of a partner if:</p> <ul style="list-style-type: none"> <li>•The <b>partner lacks authority</b> to act for the LLP in a specific matter.</li> <li>•The person dealing with the partner knows or believes that the partner has <b>no authority</b> or <b>is not a partner of the LLP</b>.</li> </ul> <p>The LLP is <b>liable</b> if a partner is liable to any person due to a <b>wrongful act</b> or <b>omission</b> committed in the course of the LLP's business or with its authorization.</p> <p>The <b>obligations of the LLP</b>, whether <b>contractual</b> or otherwise, are <b>solely</b> the responsibility of the LLP. These liabilities are met from the <b>assets of the LLP</b>.</p>
Section 28	Extent of liability of partner	<p>A partner of an LLP is not <b>personally liable</b> for the <b>obligations of the LLP</b>, except for their own wrongful acts or omissions. However, they are not <b>personally liable</b> for the <b>wrongful acts or omissions of other partners</b>.</p> <p><i>Jab khud ki galati hogi tabhi hi personally liable unless partner is not liable</i></p>
Section 29	Holding out	<p>Any person who, through words spoken, written, or conduct, <b>represents</b> themselves as a <b>partner</b> in an LLP, or allows themselves to be represented as such, <b>is liable to anyone who has extended credit to the LLP</b> based on that representation. However, if the LLP receives credit as a result of such representation, the <b>LLP is also liable</b> to the extent of the credit received or any financial benefit derived from it, without affecting the liability of the person making the representation.</p> <p><i>Arun is not a partner in ABC LLP, arun goes to HDFC bank representing himself as the partner of ABC LLP and HDFC bank gives to ABC LLP based on Arun's representation, then if in future ABC LLP defaults the loan, then ABC LLP is liable to such credit and even Arun will be liable.</i></p>
Section 30	Unlimited liability in case of fraud	<p>In cases of <b>fraud</b>:</p> <ul style="list-style-type: none"> <li>•If an act is carried out by an LLP or any of its partners with intent to <b>defraud creditors or for any fraudulent purpose</b>, the liability of the LLP and partners involved is <b>unlimited</b> for the LLP's debts or liabilities.</li> <li>•However, if the act is carried out by a <b>partner</b>, the LLP <b>is liable to the same extent</b> as the partner <b>unless</b> the LLP can <b>prove</b> that the act was done <b>without its knowledge or authority</b>.</li> </ul> <p>Anyone <b>knowingly</b> involved in conducting business with <b>intent to defraud creditors or for any fraudulent purpose</b> shall be <b>punishable</b> with:</p> <ul style="list-style-type: none"> <li>•<b>Imprisonment up to 5 years</b></li> <li>•<b>Fine: 50K to 5L</b></li> </ul> <p>If an LLP, partner, DP, or employee conducts the affairs of the LLP <b>fraudulently</b>, they are liable to <b>pay compensation</b> to any person who <b>suffers loss</b> or <b>damage</b> as a result. However, the <b>LLP is not liable</b> if a partner, designated partner, or employee acts fraudulently <b>without the LLP's knowledge</b>.</p>
Section 31	Whistle blowing	<p>The Court or Tribunal may <b>reduce</b> or <b>waive penalties</b> for a partner or employee of an LLP if:</p> <ul style="list-style-type: none"> <li>•They provide <b>useful information</b> during an investigation.</li> <li>•Information provided by them leads to the <b>conviction of the LLP</b> or any partner or employee under this Act or any other Act.</li> </ul> <p>No partner or employee of an LLP can face adverse actions like dismissal, demotion, or harassment simply for providing information during an investigation or leading to a conviction.</p>
Section 32	Form of contribution	<p>Partners' contributions to an LLP can include tangible, movable, immovable, or intangible property, as well as other benefits like money, promissory notes, agreements to contribute cash or property, and service contracts.</p> <p>The value of each partner's contribution must be <b>accounted</b> for and <b>disclosed</b> in the LLP's accounts as prescribed.</p>

<p><b>Section 33</b></p>	<p><b>Obligation to contribute</b></p>	<p>A partner's obligation to contribute money, property, benefits, or perform services for an LLP is <b>determined by the LLP agreement</b>.</p> <p>A <b>creditor</b> of the LLP, who extends credit based on this obligation without knowledge of any compromise between partners, can enforce the original obligation against the partner.</p> <p><i>Agar X aur Y partners hai dono ne 1L ka contribution kiya hai and then fir ek vendor se goods liye credit pe, and X ne pehle hi bola tha Y ko ki woh liable nhi rahega for this purchase of goods and Y ne bhi agree kiya tha, then LLP default karti hai payment to vendor, ab creditor dono pe obligation daal sakta hai, even though X ne pehle hi bol diya tha</i></p>
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Financial Disclosures		
Section 34	Maintenance of books of account, other records and audit, etc.	<p><b>Proper Books of Account:</b></p> <ul style="list-style-type: none"> <li>- LLP must maintain prescribed books of account at its <b>registered office</b>, using either <b>cash</b> or <b>accrual basis</b> and <b>double-entry system</b>.</li> <li>- The books must be kept for the prescribed period.</li> </ul> <p><b>Statement of Account and Solvency (SAS): Form 8</b></p> <ul style="list-style-type: none"> <li>- LLP must prepare a <b>Statement of Account and Solvency</b> <b>within 6 months</b> from the end of each financial year, <b>signed</b> by DP (30/09/X1)</li> <li>- It must be filed with the Registrar annually in prescribed form and manner.</li> </ul> <p><b>Audit Requirement:</b></p> <ul style="list-style-type: none"> <li>- LLP accounts must be <b>audited</b> as per prescribed rules, unless <b>exempted</b> by the Central Government.</li> </ul> <p><b>Penalties for Non-Compliance:</b></p> <ul style="list-style-type: none"> <li>- <b>Non-compliance</b> with filing <b>Form 8 (SAS)</b> incurs a <b>penalty</b> of <b>₹100 per day</b> for LLPs and DP, up to <b>₹1,00,000 and ₹50,000</b> respectively.</li> <li>- <b>Non-compliance</b> with <u>maintaining proper books of accounts, SAS, and audit requirement</u>, will lead to incurring a <b>penalty</b> ranging from <b>₹25,000 to ₹5 Lakhs</b> for LLPs, and from <b>₹10,000 to ₹1 Lakh</b> for DP</li> </ul>
Section 34A	Accounting and auditing standards	<p>The <b>Central Government</b>, in consultation with the <b>National Financial Reporting Authority (NFRA)</b>, can:</p> <p>(a) Set <b>accounting standards</b>.</p> <p>(b) Set <b>auditing standards</b> as recommended by the <b>ICAI</b>.</p>
Section 35	Annual Return	<p>Every LLP must submit an authenticated annual return to the Registrar within <b>60 days</b> of the end of its financial year, following the prescribed form, manner, and fee.</p> <p>(30/05/20X2)</p> <p><b>Penalty</b> for non-filing of annual return:</p> <ul style="list-style-type: none"> <li>- LLP: <b>₹100 per day</b>, up to a maximum of <b>₹1,00,000</b>.</li> <li>- Every DP: <b>₹100 per day</b>, up to a maximum of <b>₹50,000</b>.</li> </ul>
Section 36	INSPECTION OF DOCUMENTS KEPT BY REGISTRAR	<p>The incorporation document, partner names, any changes made, Statement of Account and Solvency, and annual return filed by each LLP <b>are available for inspection by any person</b>, following prescribed procedures and payment of fees.</p>
Section 37	<b>PENALTY FOR FALSE STATEMENT</b>	<p>If any person <b>knowingly</b> makes a <b>false statement</b> or <b>omits material facts</b> in any document required by the LLP Act, they may be <b>punished</b> with <b>imprisonment</b> for up to <b>2 years</b> and <b>fined</b> between <b>₹1 lakh to ₹5 lakh</b>.</p>
Section 38	POWER OF REGISTRAR TO OBTAIN INFORMATION	<ul style="list-style-type: none"> <li>•The Registrar can <b>request information</b> from any person, including <b>current or former partners or employees</b> of an LLP, to carry out the LLP Act's provisions.</li> <li>•If the person <b>fails</b> to respond within a reasonable time or the Registrar is unsatisfied with their response, the Registrar can <b>summon</b> them to provide the necessary information.</li> <li>•<b>Failure</b> to comply with such summons can result in a <b>fine</b> ranging from <b>₹2,000 to ₹25,000</b>.</li> </ul>

Section 39	COMPOUNDING OF OFFENCES	<p>1. The <b>Regional Director</b> or an authorized officer may <b>compound offences punishable with a fine</b> under this Act, collecting a sum up to the <b>maximum fine amount</b>, but <b>not lower than the minimum fine</b>.</p> <p>2. This provision doesn't apply to offences committed by an LLP or its partners or DP <b>if the same offence is repeated within 3 years</b></p> <p>3. <b>Applications</b> for compounding offences must be made to the <b>Registrar</b>, who <b>forwards</b> them to the <b>Regional Director or authorized officer</b>.</p> <p>4. Intimation of compounded offences must be provided to the Registrar within <b>seven days</b>.</p> <p>5. <b>No prosecution</b> shall be initiated for offences compounded <b>before prosecution</b>.</p> <p>6. If an offence is compounded <b>after prosecution begins</b>, the <b>Registrar</b> must <b>inform the court</b>, resulting in the <b>discharge of the offender</b>.</p> <p>7. The <b>Regional Director</b> can <b>direct</b> LLP partners, DP, or employees to <b>file documents</b> or <b>pay fees</b> within specified timeframes.</p> <p>8. <b>Failure</b> to comply with the Regional Director's order may lead to a <b>fine twice the amount considered for compounding the offence</b>.</p>
ASSIGNMENT AND TRANSFER OF PARTNERSHIP RIGHTS		
Section 42	PARTNER'S TRANSFERABLE INTEREST	<ul style="list-style-type: none"> <li>•The <b>rights</b> of a partner in a limited liability partnership (LLP) to share <b>profits, losses</b>, and <b>receive distributions</b> can be <b>transferred wholly or partially</b>.</li> <li>•Such transfer <b>doesn't</b> automatically result in the partner's <b>disassociation</b> or <b>dissolution</b> of the LLP.</li> <li>•However, the <b>transferee doesn't gain management participation</b> or <b>access to LLP information</b> solely through this transfer.</li> </ul>
Conversion into LLP		
Section 55	Conversion from firm into LLP	Second Schedule
Section 56	Conversion from private company into LLP	Third Schedule
Section 57	Conversion from unlisted public company into LLP	Fourth Schedule
Section 58	Registration and effect of conversion	<p>(i) The Registrar, upon <b>verifying compliance</b> with relevant schedules, provisions of the LLP Act, and associated rules, registers the documents and <b>issues a certificate of registration</b> in the <b>determined format</b>.</p> <p>(ii) Within <b>15 days of registration</b>, the LLP informs the concerned <b>Registrar of Firms or Registrar of Companies</b> about the conversion, providing prescribed details.</p> <p>(iii) Upon <b>conversion</b>, the <b>partners</b> or <b>shareholders</b> of the firm or company, along with the LLP, are bound by relevant schedules, and effects of the conversion are as specified in the schedules.</p> <p>(iv) Upon <b>registration</b>, the LLP is established by the <b>specified name</b>, and all <b>assets, liabilities, and undertakings</b> of the firm or company are <b>transferred to the LLP</b>. The firm or company is <b>deemed dissolved</b> and <b>removed</b> from the Registrar's records.</p>
Section 59	FOREIGN LLP	<p>The Central Government can create rules for foreign LLPs establishing a place of business in India and conducting operations there. These rules may adopt or modify provisions from the Companies Act, 2013 or other regulatory mechanisms as deemed appropriate.</p>

## COMPROMISE, ARRANGEMENT OR RECONSTRUCTION OF LLPs

Section 60	<b>Compromise or arrangement of LLPs</b>	<p>(1) The Tribunal can order a meeting of <b>creditors</b> or <b>partners</b> of a LLP to be conducted if a <b>compromise</b> or <b>arrangement</b> is proposed between the LLP and its creditors, or between the LLP and its partners.</p> <p>(2) If the <b>majority</b> representing <b>three-fourths in value</b> of the creditors or partners <b>agree</b> to the compromise or arrangement at the meeting, and it is <b>sanctioned</b> by the Tribunal, it becomes <b>binding on all creditors, partners, and the LLP</b>.</p> <p>(3) The Tribunal <b>cannot</b> sanction a <b>compromise</b> or <b>arrangement</b> unless all <b>material facts</b> about the LLP, including its financial position and any ongoing investigations, are <b>disclosed</b>.</p> <p>(4) The LLP must file the Tribunal's order with the Registrar within <b>thirty days</b>, and non-compliance results in <b>penalties</b> for the LLP and its DPs. The penalty is <b>₹10,000 for the LLP and its DP, with an additional ₹100 per day for continuing default, up to a maximum of ₹1,00,000 for the LLP and ₹50,000 for each DP</b>.</p> <p>(5) The Tribunal has the <b>authority</b> to stay any legal proceedings against the LLP <b>until</b> the application under this section is <b>finally resolved</b>.</p>
Section 61	<b>Power of Tribunal to enforce compromise or arrangement</b>	<p>(1) When the Tribunal <b>sanctions</b> a <b>compromise</b> or <b>arrangement</b> for a LLP under section 60:</p> <ul style="list-style-type: none"> <li>- It has the <b>authority</b> to <b>supervise</b> the <b>implementation</b> of the compromise or arrangement.</li> <li>- The Tribunal can issue <b>directions</b> or <b>make modifications</b> to ensure the <b>proper functioning</b> of the compromise or arrangement.</li> </ul> <p>(2) If the Tribunal determines that the sanctioned compromise or arrangement <b>cannot</b> be <b>executed satisfactorily</b>, it may, either <b>independently</b> or upon the <b>application</b> of any <b>concerned party</b>, order the <b>winding up of the LLP</b> under <b>section 64</b> of the Act.</p>
Section 62	<b>Provisions for facilitating reconstruction or amalgamation of limited liability partnerships</b>	<p>(1) When an application is submitted to the Tribunal under section 60 for sanctioning a compromise or arrangement involving the reconstruction or amalgamation of LLPs:</p> <ul style="list-style-type: none"> <li>- The Tribunal may make provisions for various matters, including the transfer of assets and liabilities, continuation of legal proceedings, and dissolution without winding up of LLPs.</li> <li>- No compromise or arrangement for amalgamation can be approved by the Tribunal for a LLP undergoing winding up without a favorable report from the Registrar.</li> </ul> <p>(2) Any property or liabilities specified in the order shall be transferred to and become the responsibility of the transferee LLP, as directed by the Tribunal.</p> <p>(3) Within 30 days of the order, the LLP must file a certified copy with the Registrar for registration.</p> <p>(4) Failure to comply with the registration requirement will result in penalties of up to ₹10,000 for the LLP and designated partners, with additional daily penalties for continued non-compliance, up to a maximum of ₹1,00,000 for the LLP and ₹50,000 for each designated partner.</p>



WINDING UP AND DISSOLUTION		
Section 63	Winding up and dissolution	The winding up of a LLP may be either <b>voluntary</b> or by the <b>Tribunal</b> and LLP, so wound up may be dissolved
Section 64	Circumstances in which LLP may be wound up by Tribunal	<p><b>A LLP may be wound up by the Tribunal:</b></p> <ul style="list-style-type: none"> <li>- If the LLP decides to wind up through the <b>Tribunal</b>.</li> <li>- If the number of partners falls below <b>two</b> for <b>over six months</b>.</li> <li>- If the LLP acts against the interests of India's <b>sovereignty, integrity, or public order</b>.</li> <li>- If the LLP <b>fails</b> to file Statement of Account and Solvency or annual return for <b>five consecutive financial years</b>.</li> <li>- If the Tribunal <b>deems</b> it just and equitable to wind up the LLP.</li> </ul>
Section 65	Rules for winding up and dissolution	The Central Government may make rules for the provisions in relation to <b>winding up and dissolution of LLP</b> .
Section 66	Business Transactions of Partner with LLP	A partner may <b>lend</b> <b>money</b> to and transact other business with the LLP and has the <b>same</b> rights and obligations with respect to the loan or other transactions as a person who is not a partner.
Section 67	Application of the Provisions of the Companies Act	The Central Government can direct certain provisions of the Companies Act, 2013 to apply to LLPs, or apply with modifications. Such directives must be presented in draft to Parliament for a total of 30 days and require agreement from both Houses to be issued or modified.
Section 69	Payment of Additional Fee	<b>Documents</b> or <b>returns</b> required under this Act can be registered or filed <b>after</b> the specified time, upon payment of <b>additional prescribed fees</b> . This filing after the due date does not absolve any other liabilities or actions under this Act. Different fees may apply for different types of LLPs or documents.
Section 70	Enhanced Punishment	For <b>subsequent offences</b> committed by a limited liability partnership, partner, or DP, the penalty may include <b>imprisonment</b> as prescribed. For offences punishable by fine, the fine for subsequent offences shall be <b>double the amount of the initial fine</b> .

Refer Distinguish from Module