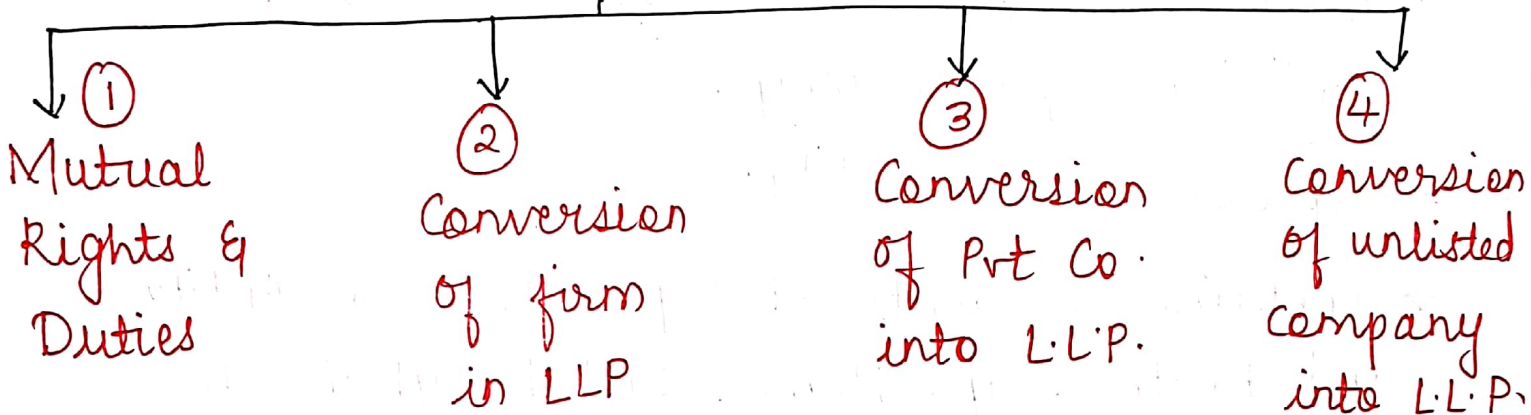


# Limited Liability Partnership Act, 2008

LLP Act, 2008

81 Sections

4 Schedules (list)



CS LLM Arjun Chhabra

\* Meaning & Concept

Company

Features:-

- Limited liability
- Perpetual Succession
- Separate legal entity

Partnership

Unlimited

X

X

→ LLP

## \* Meaning

- New form of legal business with limited liability.
- Alternative corporate business form.
- Allows its partners flexibility in a traditional partnership.
- Separate legal entity.
- Contains elements of Separate legal Entity and Partnership. Hence, called hybrid of both.

## CS LLM Arjun Chhabra

### \* Body Corporate includes :-

- (i) LLP under this Act.
- (ii) LLP outside this Act.
- (iii) Company incorporated outside India.

### \* Does not include :-

- (i) Corporation sole.
- (ii) Co-operative Society.
- (iii) Other Companies notified by Govt.

## \* L.L.P Agreement [4]

Non-applicability of Partnership Act, 1932.

## Who can become partner? of LLP? [sec 5]

- Individual  
or
- Body Corporate.

## Who cannot?

- unsound mind
- undischarged insolvent → insolvent but not discharged by court
- Applied to be declared as insolvent but application is pending.

## \* Minimum number of Partners [Sec 6]

- At least two partners.
- If anytime number of partners below 2 and more than 6 month lapsed. Lone partner shall be liable. LLP can be dissolved.

## \* Designated Partner [sec 7]

- Every LLP shall have atleast 2 D.P.

Who are INDIVIDUALS, out of which one should be resident (India)

→ Min 120 days during F.Y.

## \* Characteristics

- ① LLP is a body corporate.
- ② Perpetual Succession
- ③ Separate Legal Entity
- ④ Mutual Agency

→ Sec 3

→ Partners will be the agents of LLP alone

→ No Partner can bind other Partner.

- ⑤ Artificial legal person.
- ⑥ Common seal. (optional as in co.)
- ⑦ Limited liability
- ⑧ Management of business. (D.P.)
- ⑨ Minimum & Maximum partners.
- ⑩ Business for Profit only.

→ Sec 21

## \* Advantages

- ① Organised and operates on the basis of agreement.
- ② Provides flexibility and no detailed legal and procedural requirements.
- ③ Easy to form.
- ④ All partners enjoy limited liability.
- ⑤ Easy to dissolve.



## \* Incorporated of LLP [sec 11]

### (1) Requirements

- (a) Two or more person → Lawful business  
Subscribe name to an incorporation document.
- (b) Incorporation document filed such ~~man~~ manner,  
such fees — prescribed.
- (c) Statement to be filed
- Prescribed form
  - Made by either
    - Advocate
    - CS or CA or CWA/CMA
- Engaged in formation of LLP  
and  
Anyone who subscribed his  
name to incorporation document is complied.
- All requirement of this Act and rules for  
incorporation is complied.

### (2) Incorporation document shall

- (a) in forms as prescribed.
- (b) State name of LLP
- (c) State proposed business.

(d) State address of registered office.

(e) Name & address of each Partners and D.P.

(3) Person making statement as discussed above which he :-

(a) Knows to be false

(b) Does not believe to be true

Punishable

→ Imprisonment → upto 2 years  
and

→ Fine → not less than

₹ 10,000 and upto  
₹ 5,00,000

\* Incorporation by Registration [Section 12]

(1) On fulfillment of requirement of Sec 11 Registrar retain incorporation document and shall within a period of 14 days

(a) Register the incorporation document.

(b) Give a certificate in name of LLP.

(2) Sufficient evidence → that requirements are complied.

(3) Certificate → Authenticated by his Office Seal.

(4) Conclusive evidence → certificate

\* Registered Office and Changes :- [Sec 13]

- ① Every LLP must Registered office for all correspondence.
- ② LLP may change the place in accordance with LLP Act.
- ③ LLP contravenes → this section  
Fine →

\* Effect of Registration [Sec 14]

- Suing and being sued
- Acquire, own, hold and develop or dispose property.
- Have a common seal.

\* Name [Sec 15]

- ① Every LLP → Have words either
  - Limited liability Partnership.
  - LLP.

Section 13 R.O LLP

(1)  
Every LLP shall have R.O  
↓  
communication + Notices

(2)  
LLP Partner } → Doc Serve  
DP }  
↓  
→ post  
→ reg. post  
→ other prescribed manner.  
Address to R.O or other declared place

(3)  
change  
Notice of change  
↓  
ROC

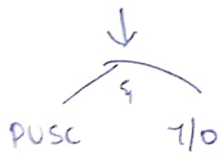
(4)  
↓  
Penalty  
₹ 500 per day  
max ₹ 50000

Sec  
2(1)(n) → LLP  
2(1)(d) → BC  
5 → Partner?  
7 → DP  
11 → Inc. doc  
12 → Inc. by reg.  
13 → R.O.

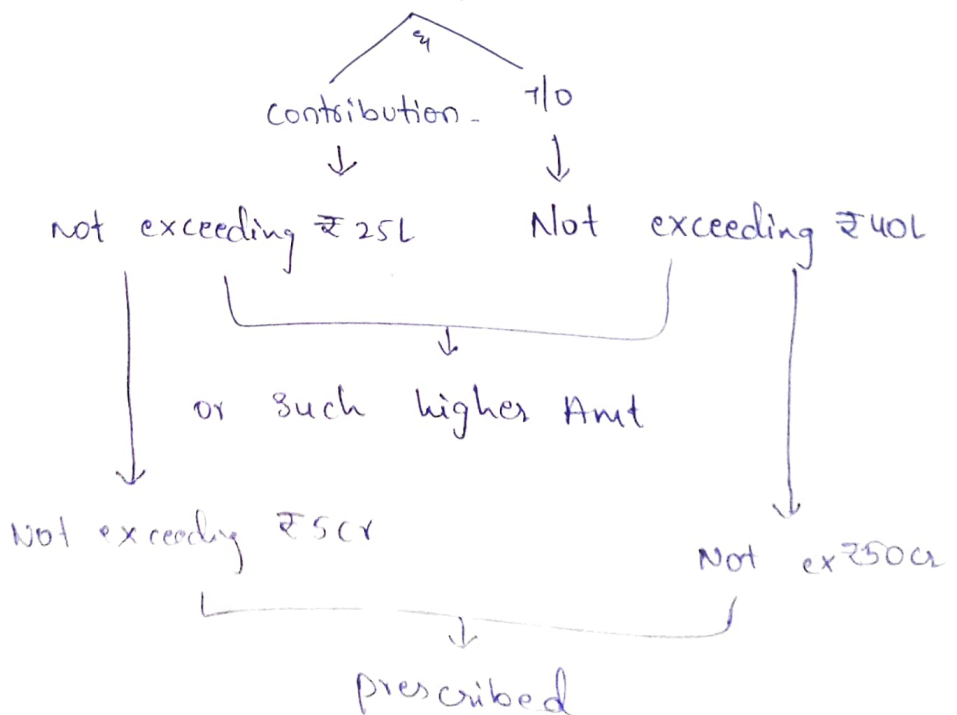
Sec 2(1)(m) → Foreign LLP

Sec 2(1)(ta) → small LLP

Small Co. (Sec 2(85))



Sec 2(1)(ta)





(2) <sup>[Sub sec 2]</sup> LLP cannot be registered with name.

(a) Undesirable

(b) Identical or too nearly resembles with name of other firm or LLP or body corporate or registered trademark or trademark.

### \* Reservation of Name [Sec 16]

(1) A person may apply to Registrar for  
→ Reservation of name of proposed LLP.  
→ Change the name of LLP.

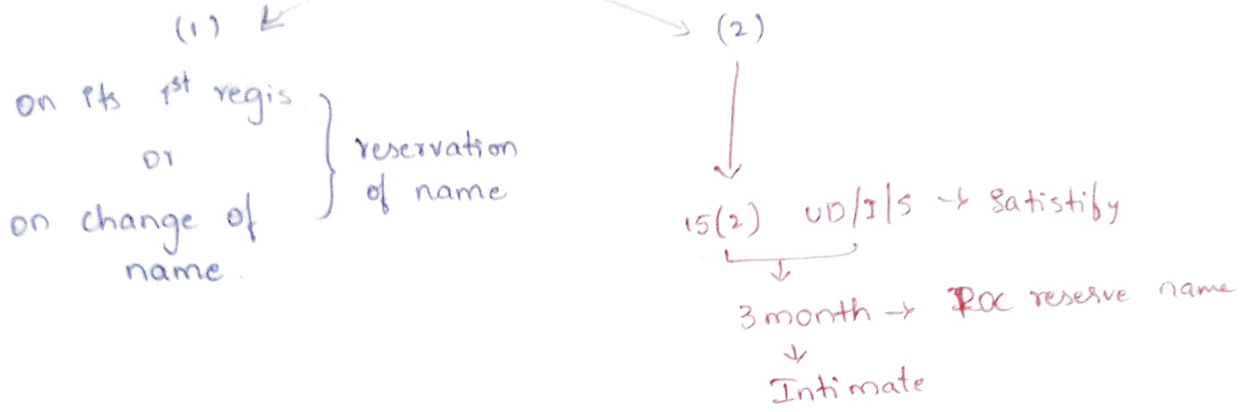
(2) Registrar on satisfaction that Sub Sec(2) of Sec 15 is complied with  
→ Reserve the name for a period of 3 months from date of intimation by Registrar.

### \* Change of name of LLP [Sec 17]

(1) ~~Not~~ Notwithstanding anything contained in sections 15 and 16.

- If C.G satisfied that LLP is registered with name referred in Sub Sec 2 of Sec 15.
- C.G may direct such LLP to change its name.

## Sec 16 → Reservation of name



Imp for exam

## Sec 17

Sec 16  
TCA 2012

## Rectification of name by CG

(1)  
Rectification of  
name of LLP by  
order of CG  
within 3 months  
from the date of  
order of CG.

(2)  
LLP → L.O  
↓  
15 days from  
change of  
name  
↓  
Notice - ROC  
↓  
fresh certificate  
of new name

(3)  
LLP does not comply  
ss(1)  
↓  
CG Allot new  
name  
ROC - enter - new name  
ROC issue fresh  
Certificate new  
name  
+  
LLP may change its  
name subsequently

Sec 17 \*

LLP

1st registration on change of its name

Register - by such name

Identical too nearly resemble

with the name of

Other  
LLP

Other  
co.

registered or TM  
of proprietor

on application by

Concerned  
Person

or

registered  
proprietor

CGI direct + LLP

Change  
name

within 3 months  
from order

LLP

does not  
change name

name change

notice with  
15 days

CGI

ROC

Allot new name

ROC enter - new name

new name - enter

fresh certificate

Fresh certificate

New name

within 30 days

CGI  
by  
name  
of  
Rectification  
Sec 17

CS ARJUN CHHADRA