

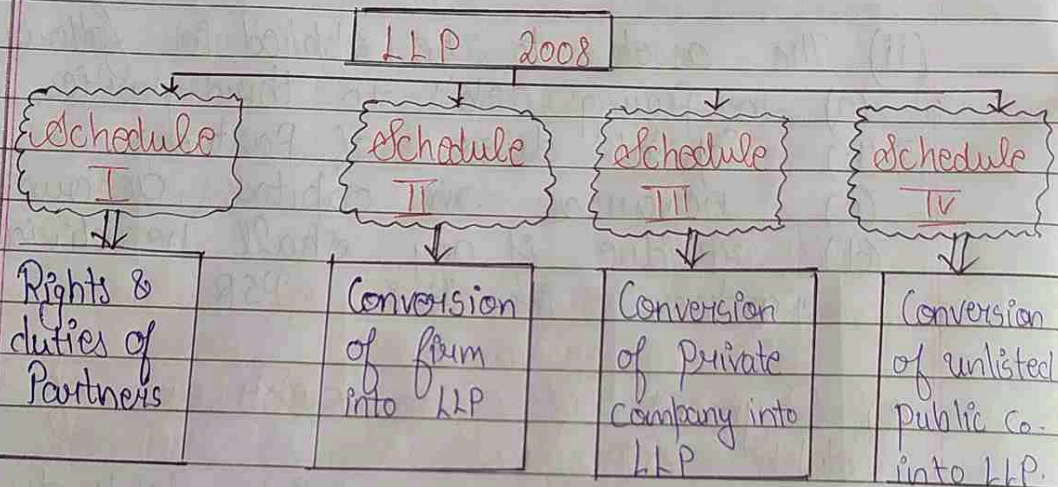
## 5. LLP, 2008.

#

### Introduction

→ Proposed by Ministry of Law & Justice - 9/1/2007  
Passed by Parliament - 12/12/2008  
President's assent - 7/1/2009

→ LLP Act is applicable to whole of India and comprises of 81 sections & 4 Schedules.



→ Ministry of Corporate Affairs and Registrar of Companies (ROC) are entrusted the task of administering the LLP Act 2008.

→ It is an alternative to traditional partnership with unlimited personal liability on one hand and statute based governance structure of limited liability company on other hand.

→ LLP as a form of business organization is an alternative corporate business vehicle.



#

Meaning

- A LLP is a new form of legal business entity with limited liability.
- LLP contains elements of both corporate structure and partnership firm. Therefore LLP is known as hybrid between company and a partnership.

#

Body Corporate. [sec 2(1)(d)]

It means a company as defined in clause (20) of section 2 of the Companies act 2013 and includes

- i] LLP in this act
  - ii] LLP incorporated outside India; and
  - iii] Company incorporated outside India.
- But does not include
- i) corporation sole.
  - ii) co-operative society.
  - iii) any other body corporate which may be notified by Central government.

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Designated Partner [sec 2(1)(j)]

"Designated Partner" means any partner designated as such pursuant to section 7.

Acc. to sec 7;

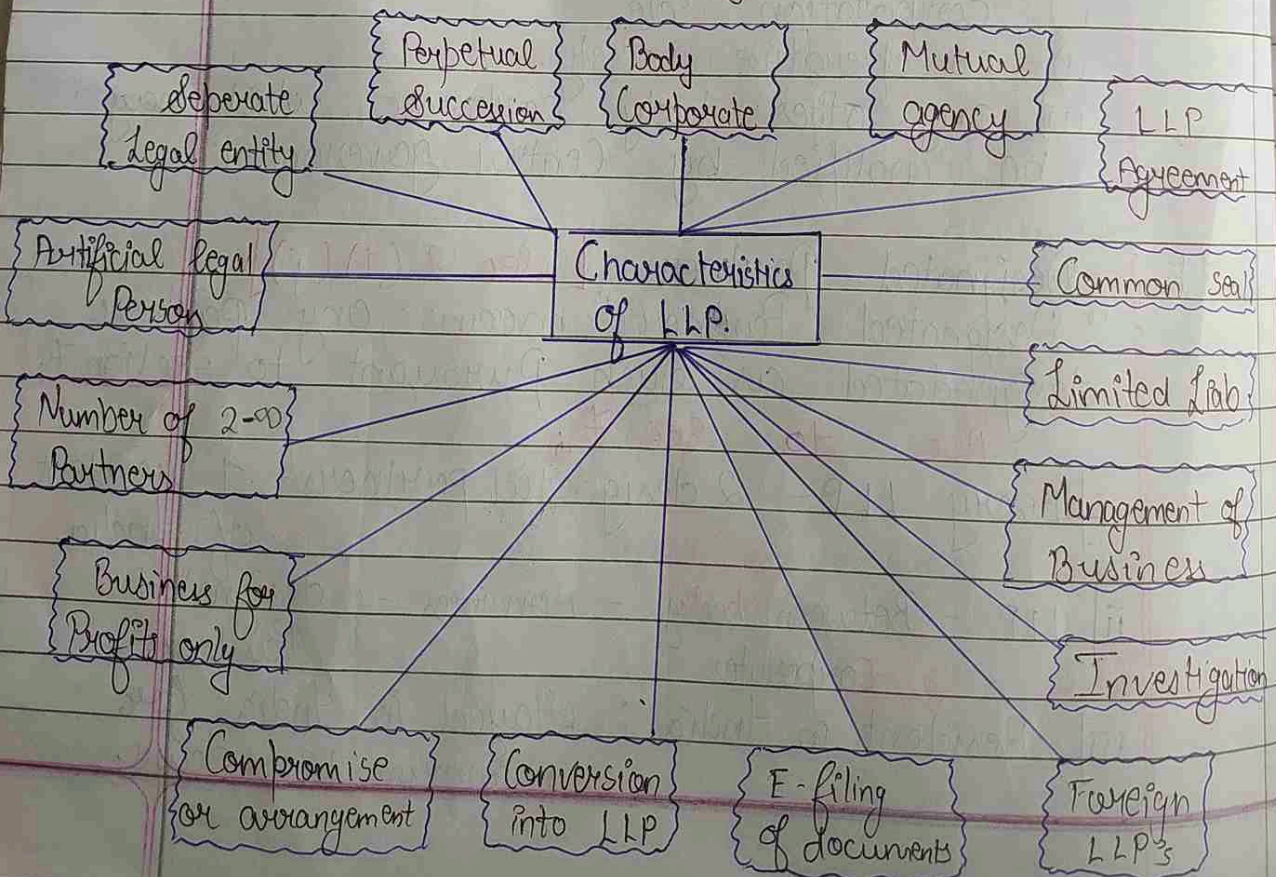
- i] Every LLP - 2 designated partners - 1 resident of India
- ii] LLP - Between body - nominees - designated Partners.  
Corporates
- iii] Resident in India : Stayed in India for minimum 120 days.



# Financial years [Sec 2(1)(l)]  
 → Generally - 1<sup>st</sup> April to 31<sup>st</sup> March.  
 If LLP incorporated - Date of incorporation to 31<sup>st</sup> March of next F.Y.  
 after 30 Sep  
 eg:- 11/01/23                      11/01/23                      31/03/25

# Foreign LLP [Sec 2(1)(m)]  
 → It means a LLP formed, incorporated or registered outside India which establishes place of business within India.

# Partners. [Sec 5]  
 → Any individual or body corporate may be a partner in LLP except :-  
 i] Person with unsound mind.  
 ii] undischarged insolvent  
 iii] applied to be adjudicated as insolvent.





FILLIP - Form for incorporation of  
Limited Liability Partnership.

Date \_\_\_\_\_  
Page \_\_\_\_\_

##

## Incorporation of LLP.

Incorporation document (Sec 11) FILLIP (A)

→ Most imp document for registration

(1) For LLP to be incorporated:

(a) Subscription of individuals for incorporation document.

(b) Form and fee filling as prescribed by Registrar of state where LLP is situated.

(c) Statement to be filed: FILLIP (B).

→ Along with incorporation document, a statement shall be filed in prescribed form by an expert (CA/CS/CWA/advocate) along with one designated partner.

Complying that all the requirements of this act have been complied within respect of incorporation and matters precedent and incidental thereto.

2) Incorporation document shall contain:

- Name of LLP
- Business of LLP
- Address of registered office
- Name & address of partners
- Name & address of designated partner
- Other information as may be prescribed.

3) If a person makes statement as mentioned above which he knows to be false or does not believe it to be true shall be fined ₹10,000 - ₹5,00,000 and imprisonment upto 2 years.



# Incorporation by Registration: **Sec 12**  
→ After submitting incorporation document, the Roc within 14 days incorporate register the incorporation document and provide Certificate of Incorporation signed by Registrar and authenticated by his official seal.

# Registered office of LLP and change therein **Sec 13**

# Effects of Registration **Sec 14**

Doing acts  
as corporate  
bodies

Suing and  
being sued

After  
registration,  
LLP is capable of

Acquiring, owning,  
holding, developing any  
movable, immovable, tangible  
or intangible property

Having a  
Common deal

# Name **Sec 15**

No - undesirable or identical to other companies

# Reservation of name **Sec 16**

3 months after approval for incorporation

# Change of name of LLP. **Sec 17**

If name resembles to LLP or registered  
Trademark Central government give 3 months

time & directions to change name of LLP.

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