LIMITED LIABLITY PARTNERSHIP ACT, 2008

LLP Act, 2008

81 sections

4 schedules (list)

1. Mutual Rights & Duties
2. Conversion of firm into LLP
3. Conversion of Pvt. Co into LLP
4. Conversion of unlisted co. into LLP

☆ Meaning & concept :-

Company

Features
- ⇒ limited liablity
- ⇒ perpetual succession
- ⇒ separate legal entity

Partnership

unlimited

x

x

LLP

☆ Meaning :-

⇒ New form of legal business with limited liablity.

⇒ Alternative corporate business form

⇒ Allows its partners flexibility is a traditional partnership.

⇒ separate legal entity.

⇒ contains elements of separate legal entity & partnership. Hence, called Hybrid of both.

☆ Body Corporate [2(1)(d)]

⇒ means a company as defined in clause (20) of section 2.

Includes
- → LLP under this Act
- → LLP outside this Act
- → company incorporated outside India.

Does not Includes
- → Corporation sole.
- → co-operate society.
- → other co. notified by Govt.

☆ Business [2(1)(e)]

⇒ Trade / profession / service / occupation.

☆ Designated partner [2(1)(j)]

⇒ Means any partner designated as to section (7).

See (7)

i) every LLP – 2 designated partner – 1 resident of India

ii) LLP – between body Corporate – nominee – designated partner

iii) Resident In India :- stayed in india for minimum 120 days

★ Financial Year :- [2(1)(i)]

⇒ Generally - 1st Apr. to 31st mar.
If LLP incorporated - Date of (to) 31st March of
after 30 sep. Incorporation Next F.Y.
Ex 1/10/23 1/10/23 31/3/25

★ Foreign LLP [2(1)(m)]

⇒ LLP formed / Incorporated / Registered ⇒ outside
↳ Established place of business in ⇒ India

★ Partners :- [Sec (5)]

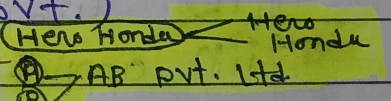
⇒ Any individual or body corporate may be a partner in LLP except -
i) person with unsound mind
ii) undischarged insolvent
iii) applied to be adjudicated as insolvent.

★ Minimum Number of partners :- [Sec (6)]

⇒ At least Two partner.
⇒ If any time number of partners below 2 & more than 6 month the lone partner shall be liable LLP can be dissolved

CHARACTERISTIC OF LLP

(1) Body corporate : sec. 2(1)(d)
(2) perpetual succesion
(3) Mutual Agency (NIO)
(4) Sepnate Legal Entity ⇒ LLP ≠ partner
(5) LLP Agreement ⇒ Governed by LLP Agreement
(6) common seal ⇒ Not Mandatory
(7) Artificial Legal person ⇒ LLP created & dissolved by law (Legal Process)
(8) Limited Liablity
(9) Managment of Byrinerss
  ↳ partners → can manage byrinerss
  ↳ Designated p. → Responsible for legal compliance.
(10) partner = minimum - 2 | maximum - unlimited
(11) Byrinerss for profit only
  ↳ LLP formed for profit
  ↳ Not created for NPO.
(12) Invertigation ⇒ (central Govt.)
(13) compromise or Anangment
(14) conversion into LLP
  * Firm
  * pvt. co.
  * unlisted co.
  ↳ converted into LLP
(15) E - filing of document
  ↳ All document electronic filled.
  ↳ signature ⇒ electronic or digital
(16) Foreign LLPs :-
→ Foreign LLP can become a partner in an Indian LLP.



★ Advantages of LLP :-

⇒ organised & operates → basis on Agreement
⇒ Provides flexibility and NO detailed legal & Procedural requirments.
⇒ Easy to form
⇒ Partners liablity - Limited
⇒ capital structure - Flexible
⇒ Easy to dissolve

★ INCORPORATION OF LLP :- (Sec 11)

(1) ★ Requirments :-

(a) Two or more person → lawful business subscribe name to an incorporation document
(b) shall be filed in such manner, such fees - prescribed
(c) statement to be filed
- prescribed form
- Made by either => Advocate (or) CA (or) CWA/CMA

Engaged in the formation of LLP & Anyone who subscribed his name to incorporation document is compiled

(2) Incorporation document shall,

(a) in form as prescribed
(b) Name of LLP
(c) Business → proposed
(d) Address of Registered office
(e) Name & Address of each partner & D.P.

★ Incorporation By Registration :- (Sec. 12)

(1) on fulfillment of req.t of sec. (11) Registar Retain incorporation document and shall within a period of 14 days
(a) Register incorporation doc.
(b) Give a certi. in name of LLP.

(2) sufficient evidence - that Req.t are compiled.
(3) certificate - Authenciated by his office seal.
(4) conclusive evidence - certificate

★ Registered office & changes :- (see 13)

(1) Every LLP have - Registered office
(2) LLP may change the place in accordance with LLP act.
(3) LLP contravener → this sections

★ Effect of Regn :-

⇒ suing & Being sued
⇒ Acquire, own, hold & develop or dispose property.
⇒ Have a common seal.

★ Name (see. 15) :-

(1) Every LLP → have word either ⇒ "Limited liability Partnership" / "LLP."
(2) LLP can't Reg.t 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 Registar for,
↳ Name of proposed LLP or,
↳ Change the name of LLP.

(2) Registar on Satisfaction that sub sec.(2) of sec.(15) is complied with,
↳ Reserve the name for a period of (3) Month from date of info.ⁿ by Registar.

★ Change of Name of LLP :- (Sec.17)

(1) Notwithstanding anything contained in section 15 & 16;-
⇒ If C.G. Satisfied that LLP is Registered with name referred in sub sec.(2) of sec.(17)
⇒ C.G. May direct such LLP to change its Name.

Fine For not changing the name.

→ Time - 3 months [from date of direction by C.G.]
→ Trademarks - 3 years [Incorporated Doc.]

→ Change the Name of LLP
↳ 15 days (notice to registar about change in LLP)
→ Default
→ Central Govt. may allot a new name to LLP
→ Issue a fresh certificate of Incorporation