

LLP 2008

Q2(a)

Chapters 14
Sections 81
Schedule 4

RRD of Partners
 PF → LLP
 RTG → LLP
 Unlisted PubCo → LLP

Meaning
 Alternate Corporate Vehicle
 - Separate Legal Entity
 - Limited Liability
 - Liability shifted to LLP
 - flexible structure

Section 4 - IPA 1932 Not Applicable on LLP
Section 5 - Any Individual or Body Corporate can be Partner
 Except -
 U - Unsound Mind
 U - Undischarged Insolvent
 I - Insolvency Application pending

Section 6 - Minimum 2 Partners (If Number falls below 2, replace within 6 months or liability unlimited)
Section 7 - At least 2 national Person as DP
 1 → Resident in India (100 days in India)
 2 Body Corporate can form LLP by Appointing 2 nominees or 2 Partners as DP (National Person)

Characteristics

Company	Partners	Unique
<ul style="list-style-type: none"> Separate legal Entity Body Corporate Artificial legal Person Common Seal Limited Liability 	<ul style="list-style-type: none"> Management of business Mutual Agency Min - 2 Max - Unlimited 	<ul style="list-style-type: none"> Investigation Filing of documents Foreign LLP

Investigation → 40 marks
 Filing of documents → 10 marks
 Foreign LLP → 10 marks

Section 11 - Incorporation document + 2 partners + Business + Profit
 Statement by CA/CS/CMA/Chartered Accountant
 - Penalty → Prison (2 years) and 10,000 to 5 Lakhs

Section 12 - The LLP shall receive the incorporation document within 4 days of submission.
 Conclusive Evidence of Registration

Section 13 - LLP Inform ROC (Registered Office)
 Any change also communicable → Penalty 200 per day upto 50,000

Section 14 - Effect of Registration
 1. Can sue or be sued.
 2. Common seal.
 3. Own, dispose, charge, mortgage immovable property.
 4. Each other act as applicable to LLP

Section 15 - LLP added to the Name, Name not to be undecipherable or identical
Section 16 - Name reservation can apply for 3 months

Section 17 - Co can order for change of Name of LLP to comply in agreement
 1. LLP shall comply in 30 days
 2. Penalty 100 per day upto 50,000

Section 22 - The agreement contains Rights & Duties
Section 23 - Any changes in agreement shall be notified by all partners
 However for matters not mentioned in the agreement follow Schedule I.

Section 24 - Automatic End of LLP
 1. Unsound
 2. Insolvent
 3. Death
 - Partner → Capital
 Profits - Losses = NET
 Note: No interference of retired Partner

Section 25 - Partner change - Name Inform 15 days
 Change - Address Inform 15 days
 - Partner Enters on Cease
 1. 15 days
 2. 30 days
 3. 30 days
 4. 30 days
 5. 30 days
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 49. 30 days
 50. 30 days

Section 26 - Every Partner is the agent of the LLP.
Section 27 - Activity performed within Authority of LLP
 - LLP is responsible for all wrongful action
 - Liability to be met out of LLP Assets
Section 28 - Partner shall make the LLP liable for
 Any of the - Authority of LLP
 - Purpose of LLP
 - Shall take Business responsibility

Section 29 - Holding Out
 - Where a person by words spoken or written represents himself, as a partner
 - Any credit given to the LLP for this representation
 - The LLP shall be responsible to refund the amount.
 - Any benefit arising from such amount shall be retained

Section 30 - Fraud
 - Where the LLP is involved in fraud or any of the partners along with partners one involved in fraud
 - Penalties
 - Compensable
 - Penalty 100 per day upto 50,000

Section 31 - While showing involves section of penalty
 - If such information leads to conviction
Section 32 - Proper Books of Accounts - Annual/6 months + Balance Sheet
 - Statement of Solvency + Statement of Accounts
 - LLP 30 days to 30 days
 - Annual Return 30 days
 - Penalty 100 per day upto 50,000

Section 33 - LLP 30 days to 30 days
Section 34 - LLP 30 days to 30 days
Section 35 - LLP 30 days to 30 days
Section 36 - LLP 30 days to 30 days

Section 68 - Old Registration - National Partnership Firm - Company Act
 New Registration - LLP
 Inform Old Register in 15 days
 - Penalties
 - Liability
 - Penalties

Section 63 - Partners can dissolve LLP with approval of tribunal.
Section 64 - Cases in which tribunal can dissolve the firm.
 - If LLP decides to wind up
 - If LLP continues > 6 months with one partner
 - If LLP is unable to pay debts
 - It is against the S I S of India
 Sovereignty Integrity Security
 - LLP defaults in filing of Statement of Solvency or annual Return in 6 consecutive Years

Section 65 - LLP 30 days to 30 days
Section 66 - LLP 30 days to 30 days
Section 67 - LLP 30 days to 30 days

Section 68 - LLP 30 days to 30 days
Section 69 - LLP 30 days to 30 days
Section 70 - LLP 30 days to 30 days
Section 71 - LLP 30 days to 30 days
Section 72 - LLP 30 days to 30 days
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Section 96 - LLP 30 days to 30 days
Section 97 - LLP 30 days to 30 days
Section 98 - LLP 30 days to 30 days
Section 99 - LLP 30 days to 30 days
Section 100 - LLP 30 days to 30 days

END of LLP