

→ Date = 16/03/2025

Business Law

Ch-05 → The Limited Liability Partnership Act, 2008

Sec - 01

• Limited Liability Partnership Act, 2008

Company Act, 2013 + Indian Partnership Act, 1932

LLP Act, 2008

- 1). features of Company
2). features of Partnership } → features of LLP

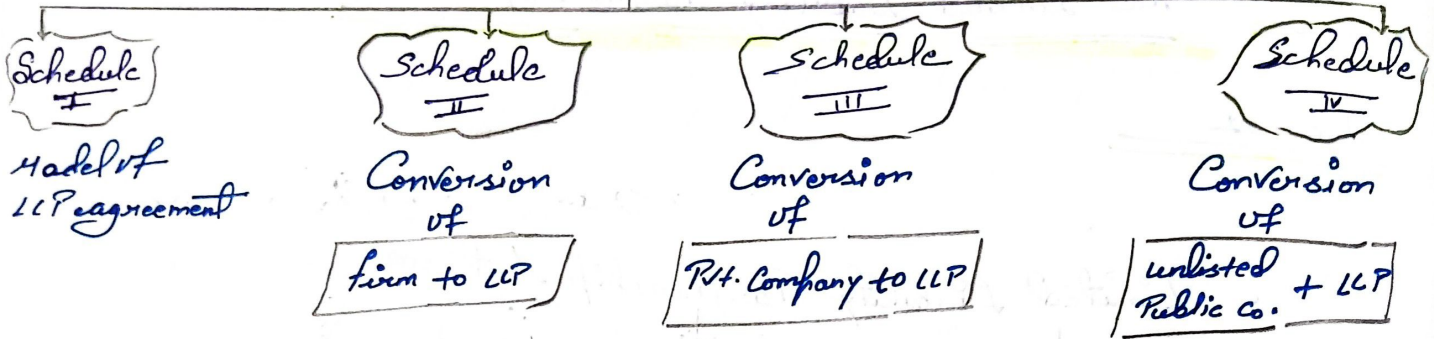
The {total section} in LLP Act, 2008
→ 81

total Schedule
→ 4

• LLP Act, 2008

- 1). Notified → 9th Jan 2007
2). Passed in Parliament → 12th Dec 2008
3). President Signature → 7th Jan 2009

• Schedule's → 4



• Sec. 4 → Limited Liability Partnership
(Applicability) → Indian Partnership Act - 1932
→ I TA, 1932 (Not applicable).

• Sec. 5 → who can become Partner in LLP
(Partner's)
1. Any Individual → who is "Capable" to Contracting (Agreement)
2. Body Corporate → Ex → Company, Indian LLP, foreign LLP.

Note → Exception of Capable Individual

1. MINOR
2. Person disqualified by the law
3. Insolvent Person

• Sec. 6 → Minimum No. of Partners in LLP.

- 1). Minimum No. of Partners in LLP → 2
- 2). Maximum No. of Partners in LLP → unlimited

Condition

↳ when Minimum No. of Partners "fall below" - 2 ↓

1). Before 6 Month's → Liability → {Limited}

↳ only one Partner → Carries business for 6 Month

2). After 6 month's → Liability → {unlimited}

↳ But after 6 month, the Person who has knowledge of fact that he Carry on LLP business alone → Liable Personally

• Sec. 7 → Designated Partners - (D.P)

Designated Partner

- 2 Individual as a Designated Partner.
- If in LLP all Partners are Body Corporate.
- 2 Individual Nominees are appointed as Designated Partner.

Condition for Designated Partner

- 1). Designated Partners - 2 (Individual)
- 2). out of 2 (1) → Indian Resident
- 3). Indian Resident → A person who stay in india during ~~But~~ Previous financial years → More than → 120 Day's

- Features of LLP →
- 1). Company feature
 - 2). Partnership feature

1). LLP is a Body Corporate → (company) → Legal Entity
↳ Legal Entity, Separate from Partner's

2). Perpetual Succession →

- Partners may Come, Partners may go, But the LLP Continue its Existence.
OR
→ LLP Can Continue its Existence irrespective of change in Partners.
→ Retirement, Inefficiency, Death.

3). Separate Legal Entity :-

- LLP is always separate from its Partner
- LLP is liable to full extent of its Assets
- Partners Liability → Limited

4). Common Seal :-

- Must have Common Seal (Not mandatory)
- Authorized Signature
- ~~through~~ Always office in Presence of Designated Partners.

5). Limited Liability :-

Liability of Partners is limited, to their agreed Contribution.

6). LLP Agreement :-

- LLP governed by LLP Agreement
- In the absence of LLP Agreement → Schedule - I applicable (Model of LLP agreement).

7). No mutual Agency :-

- No partner is liable for any unauthorized action of other partners.
- Shielded from joint Liability.
- All partners are Agent of LLP Alone.

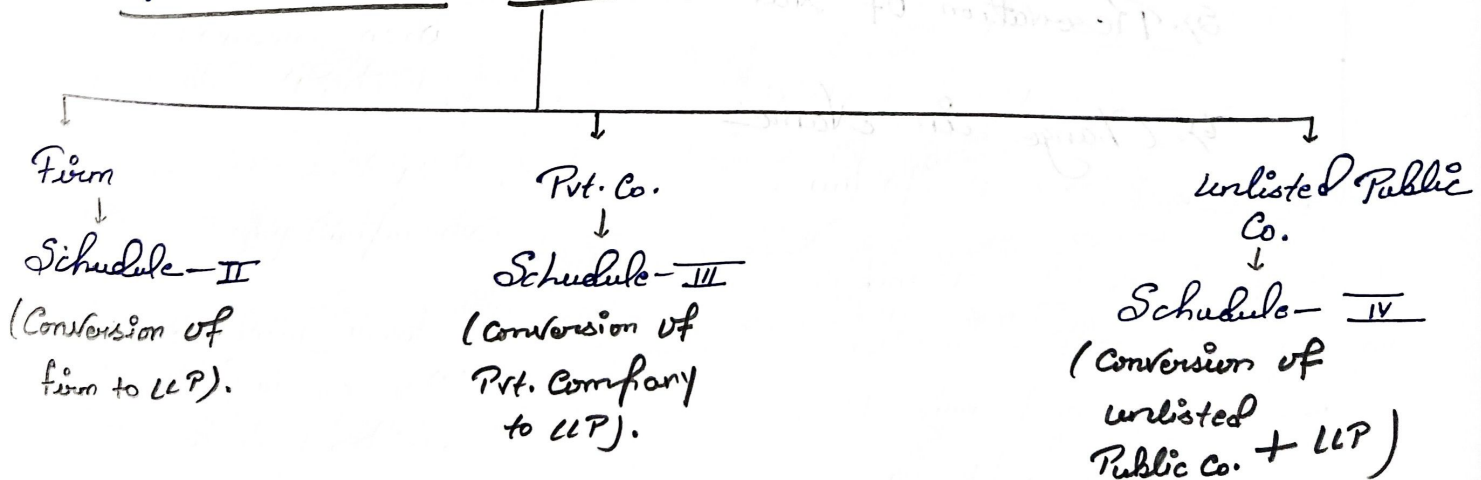
8). Business for Profit only :-

- LLP can do law full business for profit only.

9). Power of Investigation :-

- Central government has Power to Investigate affairs of LLP.

10). Conversion into LLP :-



11) E-filing of Documents :-

- All Documents should be e-filled.
↳ (www.mca.gov.in)
- Digital Signature Required.

12) Foreign LLP :-

- LLP incorporated outside India
- Place of Business in India

Foreign LLP → Can Become → Partner → in Indian LLP

• Incorporation of LLP → [Sec. 11 to Sec. 17]

1) Documents

2) Registrar

3) Office of LLP

4) Name of LLP

5) Reservation of Name

6) Change in Name

Sec. 11 → Incorporation Documents

4. For a LLP to be incorporated :-

a). 2 or more Person subscribe their name → in Incorporation Document for carrying lawful Business.

↳ for Profit only

b). Incorporation Documents should be filed with Registrar of State - in which office of LLP is situated. (Along with Prescribed fee).

c). Statement with Document .

- All Documents → Requirement

- Statement → Prescribed form

- Statement made by → CA, CS, CMA, Advocate

- Statement filed by Any 1 Partner (with Incorporation Document)

2. Incorporation Document shall :-

- In the Prescribed form

- State Name of LLP

- State Proposed business of LLP

- State Registered Office of LLP

- State Name & Address of Partner's

- State Name & Address of Designated Partner

- Any other ~~any~~ information → Prescribed

3. Provision for → Penalty / Fines

• If person make a statement discussed above.

(i). known to be false

(ii). Does not believe it to be true

• shall be Punishable

1. Imprisonment → up to 2 years

2. fine → 10,000 to 5,00,000/-

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Sec-02

• Sec. 12 → Incorporation by Registration :-

↳ Sub sec. (i), (ii), (iii), (iv)

1. Sec. 12 (1) → Registrar within 14 Days

a). Registrar the incorporation Document.

b). Issue a Certificate of Incorporation.
→ with LLP Name

2. Sec. 12 (2) → Registrar accept statement [Sec. 11 (1) (c)]

a). Document (statements) as a sufficient Evidence.

b). Legal Compliances.

3. Sec. 12 (3) → Certificate Issue [under Sec. 12 (1) (b)]

a). Signed & Sealed

b). By Registrar

4. Sec. 12 (4) → Certificate shall be Conclusive Evidence
that LLP is incorporated.

- Sec. 13 → Registered office of LLP & "change" there in
↳ sub sec. (i), (ii), (iii), (iv)

1). Sec. 13 (1) → • LLP shall have registered office.
• To which all Communication & Notice are served.

2). Sec. 13 (2) → • Document may be served to Partners or Designated Partners.
• Send by Post office or as may be Prescribed.

3). Sec. 13 (3) → • LLP May ~~change~~ change registered office.
• By filing Notice of change → To the Registrar.
• where LLP change its name —
with in a period of 15 Days, from the Date of such change.
• Given notice to the Registrar.
Along with the order of the Central Government.
• 30 Days.

4). Sec. 13 (4) → • LLP & its every Partners shall be Punishable with fine.

Not less than ₹ 500

But which may extend to ₹ 50,000/-

• Sec. 14 → Effect of Registration

After Incorporation → LLP → Legal Entity
↳ Separate Legal Entity.

- i. Sue & Being sued.
- ii. Acquiring, Developing Movable & immovable Property.
- iii. (optional) Having Common Seal.
- iv. Doing all things which a Body corporate can do.

• Sec. 15 → Name

- LLP as last word of its Names.
- No LLP shall be Registered by a Name in which in the option of Central Government.
↳ (Reg - Trade mark → Identified).

• Sec. 16 → Reservation of Name

- A person may apply for a Name of LLP with Prescribed fee
→ (a) Name of Proposed LLP
(b) Change in Name of LLP
- Registrar may reserve such Name for 3 Month

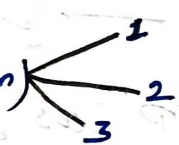
• Sec. 17 → change in name of LLP → ?

1). Central Government → May Direct to change the Name of LLP.

2). Fine for Not Changing

A). on LLP →

B). on Designated Partners →

• Step's to Incorporate LLP → (e-from) 

1). E-from-1 → Name Reservation

2). E-from-2 → Incorporate LLP

3). E-from-3 → LLP Agreement