

llp Act part 2 created by rebel saiye

✓ 14. Section 11 – Incorporation Document

📖 ICAI Original Language:

To incorporate an LLP:

1. Two or more persons must subscribe their names to an incorporation document.
2. This document must be filed with ROC (Registrar of Companies) + prescribed fees.
3. A Statement must be filed along with the document by:

An advocate/CS/CA/CMA engaged in forming the LLP

One of the subscribers

Confirming all Act requirements are met.

📖 Storyline:

📖 To give birth to an LLP, you need a birth certificate — the Incorporation Document.

👤 Two people must say:

> “We want to form an LLP!”


Then, they go to the Registrar (ROC) and file:

A form with all details: name, partners, address, etc.

A declaration signed by a professional (CA/CS/Advocate) and a partner saying:

> “We followed every rule. Please register us!”

It's like registering a baby LLP in the business world.

 Memory Trick:

> Incorporation =

 2+ People +  Docs +  Professional's Declaration

 15. Section 12 – Incorporation by Registration

 ICAI Original Language:


If all documents under Section 11 are correctly filed:


ROC shall register the document within 14 days

Issue a Certificate of Incorporation

This certificate is conclusive proof of LLP's existence.

 Storyline:

 After you submit your documents, the Registrar acts like a judge.

If everything is :


Within 14 days, he issues a Certificate stamped and sealed.

This certificate = LLP is officially born.

No one can later say “this LLP doesn’t exist” — this is final proof!

 Memory Trick:

> 14 days → ROC's decision → LLP is born with Stamped Certificate

 16. Section 13 – Registered Office

 ICAI Original Language:

Every LLP must have a registered office to receive legal communication.

Address change must be filed with ROC.

Penalty: ₹500/day of default, max ₹50,000.

📖 Storyline:

🏠 Every LLP needs a home base — where all letters, notices, and love/hate mail will arrive 😊

If you move your office 📁, you must inform ROC.

If you ignore it ❌ — you start paying daily fines!

🎯 Memory Trick:

> 🏠 LLP House = Registered Office

Move it? ➡ Tell ROC or 💰 Pay ₹500/day!

✅ 17. Section 14 – Effect of Registration

📖 ICAI Original Language:

Once registered, the LLP can:

1. Sue and be sued
2. Own, hold, sell property
3. Have a common seal (optional)
4. Do anything that a body corporate can legally do

📖 Storyline:

🎉 The moment an LLP is registered, it becomes a full legal citizen in BizWorld!

It can:

Buy/sell property 🏠

Sign contracts ✍️

File cases ⚖️

Have an official seal 🖋️ (if it wants)

It's no longer just a concept — it becomes a living legal body!

🎯 Memory Trick:

> 📖 Registration = 🤖 LLP becomes a legal person with full powers!

✅ 18. Section 15 – Name of LLP

📖 ICAI Original Language:

LLP must end its name with “Limited Liability Partnership” or “LLP”.

Name must not be undesirable or too similar to:

Another LLP,

A company,

A trademark.

📖 Storyline:

🚫 You can't call your LLP “Tata LLP” or “Google LLP”! 😊



You must:

Use LLP at the end

Ensure the name is unique and not offensive

The Registrar checks all name requests carefully 🤖

🎯 Memory Trick:

- >  Name = Must end with LLP
-  Can't copy TATA, Infosys, Apple, etc.


19. Section 16 – Reservation of Name

 ICAI Original Language:

Anyone can apply to ROC to reserve a name for their future LLP.




Once approved, name is reserved for 3 months.

 Storyline:

 Before you launch the LLP, you can book your dream name like booking a handle on Instagram!

Once approved – the name is reserved for 90 days. No one else can grab it in that time.

 Memory Trick:

>  Apply →  3-month hold →  Register later

20. Section 17 – Change of Name

 ICAI Original Language:

If your LLP name:

Is mistakenly registered,

Or too similar to another LLP/company/trademark,

Then, on government order, you must change it within 3 months.

 Storyline:

😬 If your LLP accidentally got a name like “Reliance LLP” — and the real Reliance complains — the Govt will order you to change it ASAP.

You must:

Rename within 3 months

Notify ROC

Update LLP Agreement too

Else, the government itself will give your LLP a new name (and trust me, it might be ugly 😬).

🎯 Memory Trick:

> ! If name is too similar ➡ Govt says “Rename in 3 months or we’ll name it for you!”

🔥 That’s all 16 characteristics of LLP”

✅ ICAI concept

📖 Story-style explanation

🎯 Trick to remember

✅ 1. LLP is a Body Corporate

📖 ICAI:

> LLP is formed and incorporated under this Act and is a legal entity separate from its partners. It has perpetual succession.

📖 Story:

Think of LLP like Iron Man’s suit — it’s not Tony Stark himself, but has its own existence. Even if partners come and go, LLP lives on.

🎯 Trick:

> LLP = Legal Person with own life

✅ 2. Perpetual Succession

📘 ICAI:

> LLP continues even if partners die, retire, or go mad 😄

📖 Story:

LLP is immortal — it doesn't cry when a partner leaves. It just replaces the player and continues the game.

🎯 Trick:

> Perpetual = Permanent Player

✅ 3. Separate Legal Entity

📘 ICAI:

> LLP owns its assets, pays its liabilities. Partners aren't personally liable.

📖 Story:

LLP is like a car. The driver (partner) may change, but the car stays registered as LLP.

🎯 Trick:

> LLP ≠ Partner
It's its own boss 🧑💼

✓ 4. Mutual Agency

📘 ICAI:

> A partner is not agent of other partners – only of the LLP.

📖 Story:

In traditional partnerships, if Partner A commits fraud, Partner B suffers. But in LLP – you're only liable for your own acts + LLP's business.

🎯 Trick:

> No Mutual Blame Game in LLP

✓ 5. LLP Agreement

📘 ICAI:

> Rights & duties are defined by a written agreement among partners.

📖 Story:

This is the business constitution of LLP. If no agreement? The Act rules apply (default terms).

🎯 Trick:

> LLP = Lawful Love Pact (Agreement 💕)

✓ 6. Artificial Legal Person

📘 ICAI:

> LLP is made by law, can do everything a person can do — except marry, vote, or go to jail 😊

📖 Story:

LLP is invisible, but powerful — like Jarvis from Iron Man. Can own property, sue, sign contracts — everything but fall in love 😂

🎯 Trick:

> LLP = Ghost CEO with full legal rights

✅ 7. Common Seal (Optional)

📘 ICAI:

> LLP may have a common seal, if it wants. It's used as official signature.

📖 Story:

A stamp of identity — like a fingerprint. Only needed if partners decide to use it.

🎯 Trick:

> Seal is optional, but always official

✅ 8. Limited Liability

📘 ICAI:

> Partners' liability is limited to their agreed contribution.

📖 Story:

No more selling your home to pay for LLP losses. If the partner agreed ₹1 lakh, that's the max he pays — even if LLP loses crores.

🎯 Trick:

> LLP = Losses Limited Per Person

✅ 9. Management of Business

📖 ICAI:

> All partners may manage the business. But only designated partners are responsible for legal compliance.

📖 Story:

Everyone can play the business game, but only captains (DPs) deal with the law, penalties, and filings.

🎯 Trick:

> All can manage, but DPs must answer

✅ 10. Min & Max Partners

📖 ICAI:

> Min = 2

Max = Unlimited 🚀

📖 Story:

No ceiling on growth. You can make it a two-man army or a thousand-member LLP.

🎯 Trick:

> LLP = 2 to Infinity 🔄

✅ 11. Business for Profit Only

📖 ICAI:

> LLP can't be for charity or social work — only lawful profit-making businesses.

📖 Story:

You can't register "Help the Poor LLP" 😏
LLP = For money, honey!

🎯 Trick:

> LLP = Lawful Lucrative Purpose

✅ 12. Investigation

📖 ICAI:

> Govt can investigate LLP affairs if needed.

📖 Story:

If an LLP is fishy 🐟, the Central Govt can send the Business CBI for a deep check.

🎯 Trick:

> LLP = Legally Looked-into when needed

✅ 13. Compromise or Arrangement

📖 ICAI:

> LLP can merge, settle disputes, or restructure legally.

📖 Story:

LLPs can tie the knot 🤝 (merger), break up 💔 (split), or make peace 🕊️ (settle disputes) — just like humans.

🎯 Trick:

> LLP = Can Combine or Compromise

✅ 14. Conversion into LLP

📖 ICAI:


> Firm, private company, or unlisted public company can convert into LLP.


📖 Story:

Like a Pokémon evolution! Your old business form becomes LLP if you follow the rules.

 Trick:

> Old firm ➡ Upgrade ➡ LLP Mode 

 15. E-Filing of Documents

 ICAI:


> All documents must be filed online via www.mca.gov.in


 Story:

No paper, no queue. Just click, upload, sign digitally, and done ✓

 Trick:

> LLP = Log-in, Load, Post

 16. Foreign LLPs

 ICAI:

> Foreign LLP = LLP formed outside India but doing business in India

 Story:

If a London LLP opens shop in Delhi — it becomes a Foreign LLP under Indian law 🌐

 Trick:

> LLP + Born Abroad + Indian Business = Foreign LLP

 Trick:

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