



Date: 13 March 2021

VIRTUAL COACHING CLASSES ORGANISED BY BOS, ICAI

FOUNDATION LEVEL PAPER 2A: BUSINESS LAWS

Faculty: CA Harleen Kaur



THE LIMITED LIABILITY PARTNERSHIP ACT, 2008



Session Layout

MEANING OF
LLP

NEED, SCOPE
&
ADVANTAGES

INCORPORATION

PARTNERS &
THEIR
RELATIONS

CONVERSIONS,
WINDING UP



INTRODUCTION

1. 81 Sections and 4 Schedules
2. ROC – Administration
3. Elements of “Corporate structure” and “Partnership firm”



Salient Features

1. BODY CORPORATE



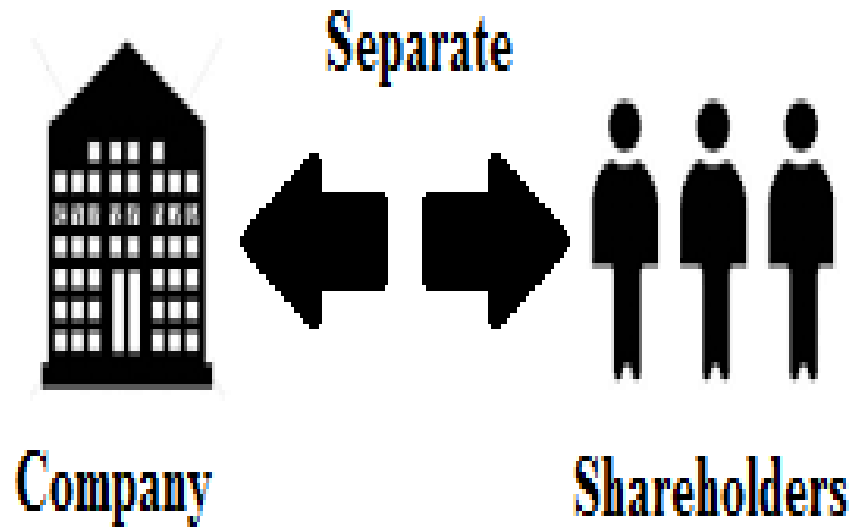
2. PERPETUAL SUCCESSION





Salient Features

3. SEPARATE LEGAL ENTITY



4. MUTUAL AGENCY





Salient Features

5. LLP AGREEMENT

LIMITED LIABILITY PARTNERSHIP AGREEMENT

THIS AGREEMENT is made on the (insert day) day of (insert month), (insert year)

WHEREBY IT IS AGREED as follows:

The parties whose names and addresses are set out in Schedule 1 of this Agreement (hereinafter referred to as the "Members") wish to enter into a new limited liability Partnership (LLP) in accordance with the Limited Liability Partnership Act, 2008 and the Companies Act, 2013.

1. Definitions

1.1 In this Agreement and the Schedules to it the following terms shall have the following meanings unless the context otherwise requires:

"Accounting Period"

In the case of the first Accounting Period this shall be the period between the commencement of the LLP business and the first Accounting Date. In respect of subsequent Accounting Periods this shall be a period commencing on the day following the Accounting Date and ending on the next Accounting Date.

"The Act"

Means the Limited Liability Partnership Act, 2008 and the Companies Act, 2013.

"Accountant"

(Insert name and address of LLP's accountant) or such other Accountant as the Members may elect from time to time. Where no Accountant has been appointed this will be agreed between the Members at a later date.

"Current Account"

The account for each Member into which profits will be paid and conversely debts paid on the part of each Member. Dividends and drawings made by a Member will be paid to their Current Account.

"Banks"

(Insert name and address of LLP's bank) or such other Bank as the Members may elect from time to time. Where no Bank has been appointed this will be agreed between the Members at a later date.

6. ARTIFICIAL LEGAL PERSON





Salient Features

7. COMMON SEAL



8. LIMITED LIABILITY





Salient Features

9. MANAGEMENT OF BUSINESS

10. MIN. & MAX. MEMBERS

- Partners , Designated Partners for Legal Compliance
- Min: 2 (2 DP) Max: No limit



Salient Features

11. BUSINESS FOR
PROFIT ONLY

12. INVESTIGATION

PROFIT (not for charitable or non profit purposes)

CG has power to investigate



Salient Features

13. COMPROMISE OR ARRANGEMENT

14. CONVERSION INTO LLP



- A firm
- Private Company
- Unlisted Public Company



Salient Features

15. E-FILING
DOCUMENTS

OF

16. FOREIGN LLPs

- Computer readable electronic form (www.mca.gov.in)
- LLP formed, incorporated or registered outside India with established place of business in India



Incorporation of an LLP

1. Incorporation Document
2. Reservation of NAME (e-Form1)
3. Statement in Prescribed Form all details (e-Form 2)
4. LLP Agreement (e-Form 3)
4. LLP Incorporation Certificate – conclusive evidence

Incorporation Document :

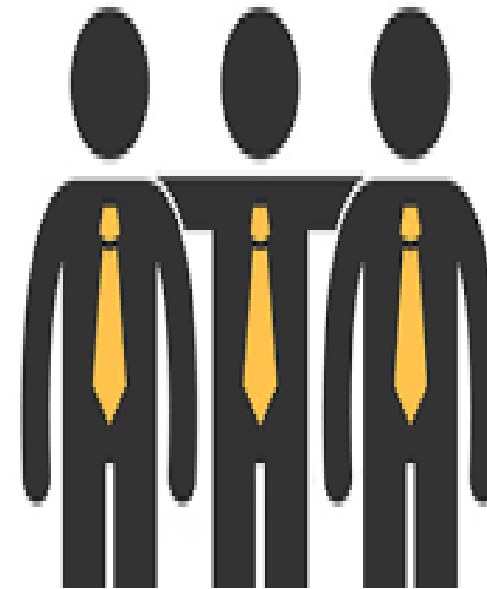
1. As per Form Prescribed
2. Name
3. Proposed Business
4. Address of Registered Office
5. Names and Addresses of Partners and Designated Partners
6. Other information



Effect of Registration

1. Sue and be sued
2. Common Seal
3. Acquire and hold property
4. Function as a Body Corporate

Limited Liability Partnership





Partners and their Relations

1. Eligibility to be Partners

2. Relationship of Partners :

Mutual Rights and Duties

Agreement may impose restrictions

First Schedule of the Act



Partners and their Relations

3. Cessation of Partnership Interest

As per Agreement or giving Notice (30 days)

Death or Dissolution, unsound mind, insolvent

Does not discharge from liabilities while being partner

Entitled to share in accumulated profit and capital contribution



Partners and their Relations

4. Registration of Changes

Every Partner to inform LLP (15 days)

Notice to Registrar (30 days)

Prescribed manner – Notice

Partner (who ceases) may himself file if he has reason to believe that LLP may not file.



Thank You