

# **BUSINESS LAWS**

**B.Com: Semester 2 Paper BC 2.2 (CBCS)**

**[B.COM (P)- Ist year Section A,B,C ]**

**Gargi College, University of Delhi**

## **Unit 4-**

# **The Limited liability Partnership Act,2008**

## **Content:**

- Salient features of LLP
- Difference between LLP and Partnership
- LLP and Company
- LLP Agreement
- Nature of LLP(Section 3 & 4)
- Partners and Designated partners (Sec 5-10)
- Incorporation Document (Sec. 11) Incorporation by Registration (Sec 12 &14)
- Registered office of LLP and change therein (Sec.13)
- Change in name (Sec.15-21)
- Partners and their relations (Section 22- 25)
- Extent and limitation of liability of LLP and partners (Sec.26-30)
- Whistle Blowing (Sec.31)
- Taxation of LLP
- Conversion of LLP

# INTRODUCTION

- Limited liability partnership is a new form of business entity a form of business model which combines the advantages of a corporate structure and traditional partnership structure.
- Traditional partnership — (mutual agency among partners) — (unlimited liability) — (uncertainty of life) = LLP form of organisation
- Main drawback of company form of organisation is excessive legal compliance that too has been reduced by LLP form of organisation.
- LLP combines the advantages of flexibility of organising management on the basis of an agreement like traditional partnership firm and limited liability like a company
- **It is a hybrid between a company and traditional partnership, much closer to private company form.**

# LLP ACT 2008

- Limited liability partnership is governed by LLP act 2008 and LLP rules 2009.
- The limited liability partnership bill received the assent of the president on 7 January 2009. The limited liability partnership act 2008 was thereafter notified in the official gazette dated 9 January 2009.
- The act came into force by way of notification dated 31st march 2009
- The act is divided into XIV chapters containing 81 Sections and 4 schedules . T he LLP rules 2009 were notified in the official gazette on 1st April 2009.
- The first LLP was in India established on 2nd April 2009. At present more than 10000 LLPs are registered all over India
- Limited liability partnership act 2008 **applies to whole of India.**

# Salient features of LLP

Proper definition of concept of limited liability partnership does not find any place in the LLP Act 2008 Section 2(1)(n) of LLP Act 2008 defines LLP as “an incorporated partnership formed and registered under the act”

## Salient features of LLP

- Body corporate
- Separate legal entity
- Artificial legal person
- Perpetual succession
- Common seal
- Limited liability
- Management of business
- No mutual agency

**Refer to Taxmann’s Business laws (by-Sushma Arora) – Chapter 19 - Page no. 360,361,363 and 364.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 19 - Page no. 19.3,19.4,19.5 and 19.6**

- Minimum and maximum number of partners
- Business for profit only
- LLP agreement
- Annual account accounts and audit
- Conversion into LLP
- Winding up of LLP
- Application of the provisions of companies act 2013
- Taxation of LLP
- E filing of documents
- Foreign LLP
- Investigation
- Mergers and amalgamations( compromise or arrangement)
- Non applicability of partnership act 1932

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 19 - Page no. 360,361,363 and 364.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 19 - Page no. 19.3,19.4,19.5 and 19.6**

# **Difference between LLP and Partnership firm**

Refer to Taxmann's Business laws(by-Sushma Arora) – Chapter 19- Page no. 363, 364 and 365

Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 19- Page no. 19.6, 19.7 and 19.8

## **Difference between LLP and Company**

Refer to Taxmann's Business laws(by-Sushma Arora) – Chapter 19- Page no. 365, 366 and 367

Refer to Taxmann's Business laws(by-Dr. Rajni Jagota) – Chapter 19- Page no. 19.8, and 19.9

# **Incorporation of New LLP**



# Registration of New LLP

Step 1. Two or more Persons will Associate as an LLP

Step 2. Minimum Two members are to be selected as Designated Partners

Step 3. Check Availability of Name

Step 4. Reserve Name through RUN-LLP (can reserve two names) or in Form FiLLip (can reserve one name)

Step 5. Incorporation Document and Subscriber Statement shall be filed in the form FiLLip , with prescribed fees

Step 6. Re-submission period of 15+15 Days in case of defects or incomplete document

Step 7. On being satisfied , the ROC will issue a certificate of incorporation.**(Section 12)**

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 20- Page no. 370, 371,372 and 373.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 20- Page no. 20.1, 20.2 and 20.3**

# LLP Agreement

Sec 2(1) (o) It means any written agreement between the partners of the limited liability partnership or between the limited liability partnership and its partner which determines the mutual rights and duties of partners and their rights and duties in relation to that limited liability partnership.

## CONTENTS OF LLP AGREEMENT

- Name of LLP
  - Name and address of partners and designated partners
  - Form of contribution and interest on contributions
  - Profit sharing ratio
  - Remuneration of partners
  - Rights of partners in case of admission resignation retirement cessation and expulsion
  - Proposed business
  - Rules for governing the LLB
- 
- i. If no agreement is framed the rights and duties as prescribed under schedule 1 to LLP Act 2008 shall be applicable.
  - ii. LLP agreement must be duly stamped as per relevant stamp act of the state.

# Incorporation Document

- Two or more persons associated for carrying on a lawful business with a view to earn profit will be required to subscribe their names to an incorporation document for getting a limited liability partnership incorporated .
- The incorporation documents to be filed in such a manner with such fees as may be prescribed with the registrar of the company of the state in which the registered office of the LLP is to be situated
- Statement must be further signed by either and advocate chartered accountant company secretary cost accountant who is engaged in the formation of LLP.

## CONTENTS OF INCORPORATION DOCUMENT **Sec. 11(2)**

1. Name of LLP
2. Proposed business of LLP
3. Address of registered office
4. Name and address of each partner
5. Form of contribution of each partner
6. Name and address of designated partner
7. Such other information as may be prescribed

**PENALTY – Sec 11(3)** Fine (Rs. 10,000-5,00,000) & Imprisonment (may extend to 2 years) for a person making the statement about compliance of the LLP Act referred to above either knowing it to be false or not believing in its being true.

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 20- Page no. 372,373 and 374.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 20- Page no. 20.4 and 20.5**

# Effect of registration Sec.14

On getting the certificate of registration of LLP enjoy the status of body corporate and become a legal entity separate from its members.

It shall have following rights

- Can sue and be sued
- Acquire, own, hold develop or dispose property
- Have a common seal
- Can do and suffer such other acts and things as bodies corporate may lawfully do and suffer.

# Provisions relating to name of LLP and changes therein

## Sec 15-21

1. Last words of approved Name **Sec 15(1)** – acronym “LLP” as last words
2. Guidelines Regarding Name for Proposed LLP –

Central Government shall not allow the change in name proposed name of an LLP, If

- There is another LLP with Identical Name
- Prohibited Words
- Words based on approval
- Name reserved for Foreign LLP/companies

**Refer to Taxmann’s Business laws (by-Sushma Arora) – Chapter 20- Page no. 375,376,377 and 378.**  
**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 20- Page no. 20.6,20.7 and 20.8**

# Provisions relating to name of LLP and changes therein

## Sec 15-21

3. Reservation of name (**Section (16)**)- names in order of preference shall be proposed through RUN-LLP and in case of fiLLiP is been filed for name reservation also then only one name can be proposed

4. Change of name of LLP-

Under three different situation LLP changes its name

- if it voluntarily wishes to change its name **Sec.(19)**
- if Central Government directs LLP to change its name **Sec.(17)**
- if Registrar of company direct LLP to change its name. **Sec. (18)**

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 20- Page no. 375,376,377 and 378.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 20- Page no. 20.6,20.7 and 20.8**

- **Sec. 19-** Any limited liability partnership may change its name registered with registrar by giving notice of such change in such form (Form 5) and with such fees as may be prescribed within 30 days of the change
- The procedure for changing the name will be as per the LLP agreement. If the same is silent, all partners consent will be required for the change.
- On being satisfied, the ROC will issue a fresh certificate of Incorporation.
- **Sec. 18-** Application for direction to change identical name of an LLP incorporated subsequently must be made within 24 months of the incorporation of such LLP. ROC will then direct the LLP , with similar/same name , to change its name (Form 23)
- **Sec.17** - When central government feels that the name is not as per guidelines, it will direct the LLP to change its name. The name is to be changes within 3 months after the date of direction.  
Penalty for non compliance will be fine of 10,000 to 5,00,000 and designated partners will be liable for fine of 10,000 to 1,00,000.

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 20- Page no. 375,376,377 and 378.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 20- Page no. 20.6,20.7 and 20.8**

# Provisions relating to name of LLP and changes therein

## Sec 15-21

### 5. Penalty for improper use of words limited liability partnership or LLP **Sec 20**

Each of the persons carrying on such business, which is not incorporated as LLP and yet using the term LLP shall be punishable with Fine not less than 50000 and which may extend up to 5 lakhs.

### 6. Publication of name and limited liability **Sec 21** provides that Every LLP shall ensure that its invoices , official correspondence and publication bear

- Name
- Address of registered office
- Registration number of LLP
- A statement that it is registered as LLP

Contravention will result in a Fine from 2,000 extending upto 25,000.

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 20- Page no. 375,376,377 and 378.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 20- Page no. 20.6,20.7 and 20.8**



# REGISTERED OFFICE of LLP AND CHANGE THEREIN

## Sec 13

Sec 13(1) Every limited liability partnership shall have a registered office to which all communications and notices may be addressed and where they shall be received.

Sec 13(2) A document may be served on a limited liability partnership or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered office and any other address specifically declared by the limited liability partnership for the purpose in such form(Form 12) and manner as may be prescribed.

Sec.13(3) A limited liability partnership may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.

**Sec 13(4) Penalty for not complying with the procedural requirements of change in the registered office of LLP as per the Act:**

The Limited Liability Partnership (LLP) and its partners shall be liable with a minimum penalty of ₹2,000 and a maximum penalty of ₹25,000.

# **REGISTERED OFFICE of LLP AND CHANGE THEREIN**

## **Sec 13**

### **Change of registered office**

#### **Cases**

#### **1. Change Within the same state-**

- When it does not involve change in jurisdiction of Registrar of company
- when it involves change in jurisdiction of Registrar of Companies

#### **2. From one state to another**

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 20- Page no. 374, and 375.**

**Refer to Business laws (by-Dr. Rajni Jagota) – Chapter 20- Page no. 20.8 and 20.9**

# **Partners, their relations and liabilities**

# Partner

According to Section 2(1)(q) the term partner in relation to a LLP means any person who has become a partner in the LLP in accordance with the LLP agreement. as per Section 5 any individual or body corporate may be the partner in LLP

The following can become a partner in LLP

- An individual
- An Indian company private or public
- LLP registered in India
- LLP registered outside India
- A foreign company

# Disqualification to be a partner Sec. 5

(DISQUALIFICATION TO BE A Partner) According to **Section 5** the following shall not be capable of becoming a partner of LLP

- if he has been found to be of unsound Mind by court
- he is an undischarged insolvent
- he has applied to be adjudicated as an insolvent and its application is pending in the court

Also, Partnership firm and HUF cannot be a partner.

**Section 6** - minimum and maximum number of partners- Every limited liability partnership shall have at least two partners the act is silent but the maximum number of partners in LLP

# Designated partners Sec. 7

According to Section to the term designated partner means any partner designated as such pursuant to Section 7 of the act

Provisions related to designated partners are-

1. Number of designated partners (**Section 7-10 and LLP rules,2009**)

- Every LLP can have at least 2 designated partner with the individuals and at least one of them must be a resident of India ( resident of India means a person who has stayed in India for a minimum period of 182 days during the immediately preceding one year)
- In case of body corporate their nominees can act as designated partner

2. **Section 7 (1)** who will be a designated partner

3. **Section 7 (3)** prior consent to act as designated partner

- Every designated partner shall intimate his consent to LLP in form 9 and manner as maybe prescribed

4. Filing of particulars with registrar

- In form 4 in the prescribed manner within 30 days of appointment

# Designated partners Sec. 7

5. Eligibility conditions for the appointment of designated partners rule number 9 of LLP rules
6. **Section 7(6)** obtaining **designated partner identification number**
  - DPIN is an 8 digit number
  - Rule 10 of LLP rules 10
  - Every DP of an LLP must obtain a DP identification number (DPIN) from central Government
  - IF the person already possesses director identification number (DIN) , that will be sufficient
  - DPIN is valid for lifetime
  - A single DPIN is required for individuals irrespective of number of partnerships in llps held by him.
7. Role of designated partner
8. Liabilities of designated partner **Section 8**
  - Responsibility for legal compliance
  - Liable to penalties in case of contravention

9. Changes in designated partner **Section 9**

10. Penalty for contravention of Section number 7, 8, 9

- Contravention of Section 7 (1) -not less than Rs. 10,000 which may extend to 5 lakh
- Contravention of Section 7 (5) ,Section 8,9- Rs. 10,000 to 1,00,000

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 21- Page no. 382,383 and 384.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 21- Page no. 21.2,21.3,21.4 and 21.5**



# Partners and their relations Section 23

## 1. Determined by LLP agreement

- **23 (1)** provides that the mutual rights and duties of partner and those of LLP and partners shall be determined by LLP agreement
- **23(2)** the agreement along with the changes made therein must be filed with the registrar
- **23 (3)** pre incorporation agreement between subscribers must be ratified by the partner's subsequent to the incorporation

## 2. Determined by first schedule to the act **23(4)** - in the absence of the agreement the mutual rights and duties of the partners of LLP and partners be determined by the provisions provided in the first schedule

**Read schedule 1 of LLP act 2008**

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 21- Page no. 384,385 and 386.**  
**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 21- Page no. 21.5,21.6 and 21.7**

# Section 24 - How can an existing partner cease to be a partner of LLP?

A person may cease to be a partner in accordance with the agreement by giving not less than 30 days notice to other partners

**24(2)-** A person shall also cease to be a partner of LLP in the following circumstances

- On his death or dissolution of LLP
- He is declared to be of unsound mind by a competent court
- If he has applied to be adjudged as an insolvent or declared as a insolvent

## **Consequences of cessation of partnership interest**

1. **24(3)-** former partner continues to be partner of LLP
2. **24(4)-** liable for obligation incurred before cessation of partnership interest
3. **24(5)-** rights of former partner to receive his contribution and share in profits
4. **24(6) -** No right to interfere in the management of th LLP

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 21- Page no. 386 and 387.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 21- Page no. 21.8 and 21.9**

## **Section 25- Registration of changes in partner**

Every partner to inform LLP about change in his name and registered address within 15 days in form 6

(Contravention: Fine Rs. 2,000 and may extend up to Rs. 25,000 for defaulting partner)

Every LLP to file a notice with registrar within 30 days -Where a person becomes or ceases to be a partner-where there is a change in name and address of a partner

(Contravention: There will be a fine of Rs. 2,000 to Rs 25,000 for defaulting LLP)

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 21- Page no. 387.**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 21- Page no. 21.9**

# Section 26 and 27- Extent and limit of liability of LLP and partners

- Partner as Agent: Every Partner is an agent of LLP for its business but not of other partners **(Sec 26)**
- Extent of liability of LLP **(Sec 27)**

LLP shall be liable to the full extent of its assets or property and liability of its partners of the LLP shall be limited to their agreed contribution in LLP.

1. LLP is not bound by anything done by partner if such partner has no authority to act for LLP
2. LLP is liable if the partner of LLP is liable to any person for wrongful act or omission on his part in the course of business of LLP with its authority
3. an obligation of the LLP whether contractual or otherwise shall be solely the obligation of the LLP
4. Liabilities of LLP shall be matter of LLP properties.

# **Section 28 -30 - Extent of liability of partners**

1. Agency relationship **Section 26**
2. No personal liability for obligations of LLP **Section 28 (1)**
3. Personal liability of partner arises
  - Personal liability for his wrongful act or omission **Section 28 (2)**
  - Personal liability of acts undertaken by the partner beyond his authority
  - Personal liability where number of partners falls below statutory limit

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 21- Page no. 388 and 389.**  
**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 21- Page no. 21.9,21.10 and 21.11**

## Section 28 -30 - Extent of liability of partners

4. Liability in case of holding out **Section 29 (1)** - a person who represents himself to be a partner by words spoken or written or by conduct is liable to the person whom he has so represented in the following circumstances:
  1. Has represented or knowingly permitted himself to be represented as a partner in LLP
  2. The other person has on the faith of such representation given credit to the LLP
  3. Whether the person representing himself to be a partner is aware or unaware of the fact that the representation has reached the person giving credit
5. No liability after death of a partner **Section 29 (2)**
6. Unlimited liability in case of fraud **Section 30 (1)**
7. Liability for compensation **Section 30 (3)**

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 21- Page no. 388 and 389.**  
**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 21- Page no. 21.9,21.10 and 21.11**

# Whistle blowing Section 31

Whistle blowing may be defined as the disclosure or the act of providing information by the members of limited liability partnership of wrongful acts committed or being committed, illegal, immoral, legitimate practices of their employees to a person or organization that may be able to affect action

The person who provide such information is known as whistle blower.

Favorable legal mechanism for whistleblower under LLP act-

1. Reduction or waiver of penalty- the tribunal may reduce or waive any penalty leviable against any partner or employee of a limited liability partnership if it is satisfied that-
  - partner has provided useful information during investigation of such LLP
  - when any information given by any partner or employee during investigation or otherwise leads to LLP or any partner or employee of such LLP being convicted under its act.
- 2.No mistreatment - no partner or employee of any limited liability partnership may be discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against in his employment merely because of his providing information on causing information to be provided.

# **Taxation of LLP**



# Tax treatment of LLP

Since inception of LLP

- LLP is treated at are with general partnership firm for the purpose of taxation
- Change in the definitions of firm ,partner, and partnership under the income tax act was done to incorporate LLP in these definition respectively

# Eligibility To be assessed as a firm

- For an LLP to be assessed as a firm the following conditions are to be satisfied
- **Written LLP agreement and specification of shares of partners-** there must be written LLP agreement specifying individual shares of partners
- **Certified copy of LLP agreement and return of income-** certified copy of agreement to be submitted to income tax authority along with the return of income of LLP
- **Submission of revised LLP agreement in case of changes**
- **No failure to attend IT notices:** no failure on part of LLP while attending to notices given by the income tax office

# Rules regarding taxation of LLP

1. Profits will be taxed in the hands of LLP and not in the hands of partner
2. Remuneration if so provided by the agreement to the partners will be taxed as income from business and profession
3. LLP is not liable for dividend distribution tax (distribution tax is tax on distributed profits). Otherwise Indian companies who declares or distributes dividends are required to pay additional income tax @ 15% . this is a tax benefit in comparison with company form of organization
4. LLP shall not be eligible for presumptive taxation scheme
  - Presumptive taxation scheme means to give relief to small taxpayers whose gross receipts from business do not exceeds 2 crore from TDS job of maintenance of books of accounts
5. Filing and signing of income tax return: ITR 5 is applicable to LLP

# Rules regarding taxation of LLP

6. Every partner of LLP is jointly and severally liable for the taxes to be paid by LLP for period during which he is partner in case of liquidation of LLP
7. No capital gain on conversion of partnership firm into LLP and company into LLP provided prescribed conditions are complied with.
8. By Union budget 2011-12 LLP was made subject to alternate minimum tax  
If regular Income Tax payable by LLP for a particular financial year is less than the corresponding alternative minimum tax computed on its adjusted income then such alternative minimum tax shall be Deemed to be the income tax liability of LLP.

LLP is liable to pay AMT @ 18.5% on the adjusted total income provided regular income tax on total income of LLP( @30%) is less than AMT

# Rules regarding taxation of LLP

## EXAMPLE

If taxable income = Rs. 10,00,000

And adjusted total income = Rs. 30,00,000

Then normal tax 30% of 10,00,000 = **3,00,000**

Education cess 2% plus secondary and higher education cess at 1% = 2% of 3,00,000 + 1% of 3,00,000 = 6,000 + 3,000 = 9,000

Thus total tax would be = 3,09,000

AMT on adjusted total income = 18.5 % of 30,00,000 = **5,55,000** plus cess @ 3%

So tax payable would be 5,55,000 as it is higher than normal tax,

- Surcharge is 12% of income tax if net income exceeds one crore. Surcharge is chargeable on tax whereas cess is to be charged on tax plus surcharge.
- AMT paying LLP can claim credit for 15 assessment year starting from the year in which credit becomes allowable
- In any year the LLP pays tax liability as per AMT then it is entitled to claim credit in the subsequent years of AMT paid above the normal tax liability ( 5,55,000- 3,00,000 = 2,55,000). The credit can be adjusted in the year in which the tax liability of the LLP as per the normal provisions is more than AMT liability.

9. Due date for filing ITR-

- on or before July 31 if accounts are not to be audited
- on or before September 30 if accounts are to be audited

# **Conversion into LLP**

# Conversion into LLP

**Section 55** deals with the conversion into LLP from partnership in accordance with the provision of chapter X of the act in schedule II by filing e form 17

**Section 56** deal with the conversion into LLP from private company in accordance with the provisions of chapter X of the act schedule III by filing e form 18

**Section 57** deals with the conversion into LLP from unlisted public company in accordance with the provision of chapter X of the act and schedule IV by filing e form 18

**Section 58** deals with the effect of registration of conversion in above cases-

- Existence of LLP by the name specified in the certificate of registration
- Transfer and vesting of assets and liabilities in LLP
- Dissolution of converting entity and removal of records of concerned authority



# Conversion into LLP

**Section 55** deals with the conversion into LLP from partnership in accordance with the provision of chapter X of the act in schedule II by filing e form 17

- Meaning
- Eligibility
- Procedure
- Preliminary steps to be taken for conversion
- Subsequent steps to be taken for conversion - 1. Filing of conversion application( statement of partners, attachments, certificates) 2. Obtaining certificate of registration from registrar of company( issue of certificate by roc, power of roc to refuse conversion ,appeal to the tribunal in case of refusal)
- Consequential steps- 1. Informing the registrar of firms about conversion 2. Ensure notice of conversion in all official correspondence of LLP for a period of 1 year
- Registration of conversion of partnership into LLP **section 58**

# Conversion into LLP

**Section 56** deal with the conversion into LLP from private company in accordance with the provisions of chapter X of the act schedule III by filing e form 18

- Meaning
- Eligibility
- Procedure
- Preliminary steps to be taken for conversion
- Subsequent steps to be taken for conversion - 1. Filing of conversion application( statement of shareholders , attachments, certificates) 2. Obtaining certificate of registration from registrar of company( issue of certificate by roc, power of roc to refuse conversion ,appeal to the tribunal in case of refusal)
- Consequential steps- 1. Informing the registrar of firms about conversion 2. Ensure notice of conversion in all official correspondence of LLP for a period of 1 year
- Registration of conversion of partnership into LLP **section 58**

# Conversion into LLP

**Section 57** deals with the conversion into LLP from unlisted public company in accordance with the provision of chapter X of the act and schedule IV by filing e form 18

- Meaning
- Eligibility
- Procedure
- Preliminary steps to be taken for conversion
- Subsequent steps to be taken for conversion - 1. Filing of conversion application( statement of shareholders , attachments, certificates) 2. Obtaining certificate of registration from registrar of company( issue of certificate by roc, power of roc to refuse conversion ,appeal to the tribunal in case of refusal)
- Consequential steps- 1. Informing the registrar of firms about conversion 2. Ensure notice of conversion in all official correspondence of LLP for a period of 1 year
- Registration of conversion of partnership into LLP **section 58**

**Refer to Taxmann's Business laws (by-Sushma Arora) – Chapter 23- Page no. 406 to 415**

**Refer to Business laws(by-Dr. Rajni Jagota) – Chapter 23- Page no. 23.1 to 23.12**