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## Section Summary

# Limited Liability Partnership Act, 2008

## SECTION SUMMARY

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| Section No.              | Section Heading                                   | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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| <b>Section 1</b>         | Short title, extent, commencement and application | <ul style="list-style-type: none"> <li>Extends to the whole of India</li> <li>Enforcement date 31<sup>st</sup> March, 2009</li> </ul>                                                                                                                                                                                                                                                                                                                 |
| <b>Section 2(1) (a)</b>  | Address                                           | <ul style="list-style-type: none"> <li>Individual-residential address</li> <li>Body corporate- registered office address</li> </ul>                                                                                                                                                                                                                                                                                                                   |
| <b>Section 2(1) (c)</b>  | Appellate Tribunal                                | National Company Law Appellate Tribunal                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Section 2 (1) (d)</b> | Body Corporate                                    | <ul style="list-style-type: none"> <li>Company</li> <li>LLP registered under LLP Act, 2008</li> <li>LLP incorporated outside India</li> <li>Company incorporated outside India</li> <li><b>Does not</b> include: <ul style="list-style-type: none"> <li>Corporation sole</li> <li>Co-operative society registered under any law for the time being in force</li> <li>Any other body corporate- specified by Central Government</li> </ul> </li> </ul> |
| <b>Section 2 (1) (i)</b> | Financial year                                    | <ul style="list-style-type: none"> <li>Period from the 1st day of April of a year to the 31st day of March of the following year</li> <li>LLP incorporated after the 30th day of September of a year, the financial year may end on the 31st day of March of the year next following that year</li> </ul>                                                                                                                                             |

## Limited Liability Partnership Act, 2008 –Section Summary

| Section No.               | Section Heading                                       | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <b>Section 2 (1) (m)</b>  | Foreign limited liability partnership                 | LLP formed, incorporated or registered outside India which establishes a place of business within India                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Section 2 (1) (o)</b>  | LLP Agreement                                         | <ul style="list-style-type: none"> <li>• Written agreement between: <ul style="list-style-type: none"> <li>--partners of LLP or</li> <li>--LLP and its partners: determines mutual rights and duties of partners and their rights and duties in relation to that LLP</li> </ul> </li> </ul>                                                                                                                                                                                       |
| <b>Section 2 (1) (p)</b>  | Name                                                  | <ul style="list-style-type: none"> <li>• Individual- his forename, middle name and surname</li> <li>• Body corporate -registered name</li> </ul>                                                                                                                                                                                                                                                                                                                                  |
| <b>Section 2 (1) (s)</b>  | Registrar                                             | <ul style="list-style-type: none"> <li>• Person appointed by the Central Government as: <ul style="list-style-type: none"> <li>--Registrar,</li> <li>--Additional Registrar,</li> <li>--Joint Registrar,</li> <li>--Deputy Registrar or</li> <li>--Assistant Registrar</li> </ul> </li> </ul>                                                                                                                                                                                     |
| <b>Section 2 (1) (ta)</b> | Small LLP                                             | <ul style="list-style-type: none"> <li>• LLP contribution: <ul style="list-style-type: none"> <li>--not exceeding twenty-five lakh rupees not exceeding five crore rupees</li> <li>--turnover as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed forty lakh rupees not exceeding fifty crore rupees, or</li> <li>--meets other requirements &amp; terms and conditions as may be prescribed</li> </ul> </li> </ul>       |
| <b>Section 2 (1) (u)</b>  | Tribunal                                              | National Company Law Tribunal                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Section 3</b>          | Limited liability partnership to be body corporate    | <ul style="list-style-type: none"> <li>• Body corporate formed and incorporated under LLP Act</li> <li>• Legal entity separate from that of its partners</li> <li>• Perpetual succession.</li> <li>• Change in the partners of LLP shall not affect the existence, rights or liabilities of the LLP</li> </ul>                                                                                                                                                                    |
| <b>Section 4</b>          | Non-applicability of the Indian Partnership Act, 1932 | Partnership Act shall not apply to LLP                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Section 5</b>          | Partners                                              | <ul style="list-style-type: none"> <li>• Individual: not be of unsound mind; undischarged insolvent &amp; not applied to be adjudicated as an insolvent-application is pending or</li> <li>• Body corporate</li> </ul>                                                                                                                                                                                                                                                            |
| <b>Section 6</b>          | Minimum number of partners                            | <ul style="list-style-type: none"> <li>• At least two partners</li> <li>• If number of partners is reduced below two and LLP carries on business for more than six months the person, who is the only partner of the LLP during the time that it so carries on business after those six months and has the knowledge of the fact that it is carrying on business with him alone, shall be liable personally for the obligations of the LLP incurred during that period</li> </ul> |
| <b>Section 7</b>          | Designated partners                                   | <ul style="list-style-type: none"> <li>• At least two designated partners who are individuals and</li> </ul>                                                                                                                                                                                                                                                                                                                                                                      |

| Section No.       | Section Heading                | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
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|                   |                                | <ul style="list-style-type: none"> <li>At least one of them shall be a resident in India</li> <li>LLP in which all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of LLP or nominees of such bodies corporate shall act as designated partners                             <ul style="list-style-type: none"> <li>Resident in India- a person who has stayed in India for a period of not less than one hundred and twenty days during the financial year</li> </ul> </li> <li>Prior consent required of individual</li> <li>LLP to file with Registrar within 30 days- particulars of every individual who has given his consent to act as designated partner</li> <li>Designated partner shall obtain a Designated Partner Identification Number (DPIN) from the Central Government</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Section 9</b>  | Changes in designated partners | <ul style="list-style-type: none"> <li>LLP may appoint a designated partner within thirty days of a vacancy arising for any reason</li> <li>If no designated partner is appointed, or if at any time there is only one designated partner, each partner shall be deemed to be a designated partner</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Section 11</b> | Incorporation Document         | <ul style="list-style-type: none"> <li>Two or more persons associated for carrying on a lawful business with a view to profit shall subscribe their names to an incorporation document</li> <li>Filing of incorporation document as per rules prescribed by Registrar</li> <li>Along with the incorporation document be filed a statement made by either an advocate, or a Company Secretary or a Chartered Accountant or a Cost Accountant, who is engaged in the formation of the LLP and by subscribers to the incorporation document, that all the requirements of the Act have been complied with- of incorporation                             <ul style="list-style-type: none"> <li>person making statement knows it to be false or does not believe to be true: imprisonment for two years and fine which shall not be less than ten thousand rupees but which may extend to five lakh rupees.</li> </ul> </li> <li>Incorporation document:                             <ul style="list-style-type: none"> <li>in a form as may be prescribed;</li> <li>state nature of LLP</li> <li>name of LLP</li> <li>proposed business of LLP</li> <li>address of the registered office</li> <li>name and address of persons who are to be partners of the LLP on incorporation</li> <li>name and address of the persons who are to be designated partners of LLP on incorporation</li> </ul> </li> </ul> |
| <b>Section 12</b> | Incorporation registration by  | <ul style="list-style-type: none"> <li>Registrar within period of fourteen days:                             <ul style="list-style-type: none"> <li>register the incorporation document; and</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Section No.       | Section Heading           | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                   |                           | --give a certificate that LLP is incorporated by the specified name specified<br>• Certificate issued shall be signed by the Registrar and authenticated by his official seal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Section 14</b> | Effect of Registration    | • LLP be capable of:<br>--suing and being sued;<br>--acquiring, owning, holding and developing or disposing of property, whether movable or immovable, tangible or intangible;<br>--having a common seal, if it decides to have one; and<br>--doing and suffering such other acts and things as bodies corporate may lawfully do and suffer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Section 15</b> | Name                      | • LLP shall have either the words limited liability partnership or LLP as the last words of its name<br>• LLP shall not be registered by a name which, in the opinion of the Central Government is:<br>--undesirable; or<br>--identical or too nearly resembles to that of any other limited liability partnership or a company or a registered trade mark of any other person under the Trade Marks Act, 1999                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Section 16</b> | Reservation name          | • Application to Registrar for the reservation of a name either as:<br>--either as the name of the proposed LLP; or<br>--name to which a LLP proposes to change its name<br>• Registrar may reserve the name for a period of three months from the date of intimation by the Registrar.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Section 17</b> | Rectification name of LLP | • LLP to change its name or new name, on Central Governments direction, within a period of three months from the date of such direction<br>• Application of the proprietor of the registered trademarks be maintainable within a period of three years from the date of incorporation or registration or change of name of the LLP<br>• LLP when changes its name or obtains a new name shall within fifteen days from the date of change, give notice to Registrar along with the order of the Central Government, for necessary changes in the certificate of incorporation & within thirty days of change in the certificate of incorporation, LLP shall change its name in the LLP agreement<br>• Default in complying with any direction given, the Central Government shall allot a new name to the LLP and the Registrar shall enter the new name in the register of LLP in place of the old name and issue a fresh certificate of incorporation with new name |
| <b>Section 23</b> | Relationship of Partners  | • Mutual rights and duties of the partners of a LLP, and the mutual rights and duties of a LLP and its partners, be governed by the LLP agreement between the partners, or                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Section No.       | Section Heading                   | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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|                   |                                   | <p>between the LLP and its partners</p> <ul style="list-style-type: none"> <li>• Changes in LLP agreement to be filed with Registrar</li> <li>• Agreement in writing made before the incorporation of a LLP between the persons who subscribe their names to the incorporation document may impose obligations on the LLP, if such agreement is ratified by all the partners after the incorporation</li> <li>• If there is no agreement as to any matter, the mutual rights and duties of the partners and that of the LLP and the partners be determined by the First Schedule</li> </ul>                                                                                                                                            |
| <b>Section 24</b> | Cessation of partnership interest | <ul style="list-style-type: none"> <li>• As per the LLP agreement or</li> <li>• If no agreement with the other partners as to cessation of being a partner, by giving a notice in writing of not less than thirty days to the other partners</li> <li>• Person ceases to be partner of LLP on: <ul style="list-style-type: none"> <li>-- death or dissolution of the LLP; or</li> <li>-- declared to be of unsound mind; or</li> <li>-- has applied to be adjudged as an insolvent or declared as an insolvent</li> </ul> </li> <li>• Cessation of a partner from LLP does not discharge the partner from any obligation to the LLP or to the other partners or to any other person which he incurred while being a partner</li> </ul> |
| <b>Section 25</b> | Registration changes in partners  | <ul style="list-style-type: none"> <li>• Partner to inform LLP of any change in his name or address within a period of fifteen days of such change</li> <li>• LLP to file with Registrar within thirty days from: <ul style="list-style-type: none"> <li>--the date a person becomes or ceases to be a partner; &amp;</li> <li>-- any change in the name or address of a partner</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                |
| <b>Section 26</b> | Partner as agent                  | <ul style="list-style-type: none"> <li>• Partner of LLP is the agent of the LLP for business purpose, but not of other partners</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Section 27</b> | Extent of liability of LLP        | <ul style="list-style-type: none"> <li>• LLP is not bound by anything done by a partner in dealing with a person if: <ul style="list-style-type: none"> <li>--partner has no authority to act for the LLP in doing a particular act; and</li> <li>--person knows he has no authority or does not know or believe him to be a partner of the LLP</li> </ul> </li> <li>• LLP is liable if a partner is liable to any person as a result of a wrongful act or omission on his part in the course of the business or with its authority</li> <li>• Obligation of LLP whether arising in contract or otherwise, be solely the obligation of the LLP</li> <li>• Liabilities of LLP be met out of the property of the LLP</li> </ul>          |
| <b>Section 28</b> | Extent of liability of partner    | <ul style="list-style-type: none"> <li>• Partner is not personally liable, directly or indirectly for an obligation of LLP solely by reason of being a partner of the LLP</li> <li>• Partner shall not be personally liable for the wrongful act or omission of any other partner of the LLP but this shall not affect the personal liability of a partner for his own</li> </ul>                                                                                                                                                                                                                                                                                                                                                      |

| Section No.       | Section Heading                      | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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|                   |                                      | wrongful act or omission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Section 29</b> | Holding Out                          | <ul style="list-style-type: none"> <li>• Person, who by words spoken or written or by conduct, represents himself, or knowingly permits himself to be represented to be a partner in a LLP is liable to any person who has on the faith of any such representation given credit to the LLP, whether the person representing himself or represented to be a partner does or does not know that the representation has reached the person so giving credit</li> <li>• Where any credit is received by the LLP as a result of such representation, the LLP shall, without prejudice to the liability of the person so representing himself or represented to be a partner, be liable to the extent of credit received by it or any financial benefit derived thereon</li> <li>• After a partner's death the business is continued in the same LLP name, the continued use of that name or of the deceased partner's name as a part shall not of itself make his legal representative or his estate liable for any act of the LLP done after his death</li> </ul>                                                                                                                                                                                                                              |
| <b>Section 30</b> | Unlimited liability in case of fraud | <ul style="list-style-type: none"> <li>• Act carried out by a LLP, or any of its partners, with intent to defraud creditors of the LLP or any other person, or for any fraudulent purpose, the liability of the LLP and partners shall be unlimited for all or any of the debts or other liabilities of the LLP</li> <li>• In case any such act is carried out by a partner, the LLP is liable to the same extent as the partner unless it is established by the LLP that such act was without its knowledge or the authority</li> <li>• Every person who was knowingly a party to the carrying on of the business in the manner aforesaid shall be punishable with imprisonment for a term which may extend to five years and with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees</li> <li>• LLP or any partner or designated partner or employee of who has conducted the affairs of the LLP in a fraudulent manner, then without prejudice to any criminal proceedings they shall be liable to pay compensation to person who has suffered any loss or damage by reason of such conduct. LLP shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the LLP</li> </ul> |
| <b>Section 31</b> | Whistle Blowing                      | <ul style="list-style-type: none"> <li>• Court or Tribunal may reduce or waive any penalty leviable against any partner or employee of a LLP, if it is satisfied that:                         <ul style="list-style-type: none"> <li>-- such partner or employee of a LLP has provided useful information during investigation of such LLP; or</li> <li>--when any information given by any partner or employee</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Section No.       | Section Heading                                                | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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|                   |                                                                | (whether or not during investigation) leads to LLP or any partner or employee of such LLP being convicted under this Act or any other Act                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Section 32</b> | Form of contribution                                           | <ul style="list-style-type: none"> <li>• Of partner may consist of: <ul style="list-style-type: none"> <li>-- tangible,</li> <li>--movable or</li> <li>--immovable or</li> <li>--intangible property or</li> <li>--other benefit to the LLP, including money, promissory notes, other agreements to contribute cash or property, and contracts for services performed or to be performed.</li> </ul> </li> <li>• Monetary value of contribution of each partner be accounted for and disclosed in the accounts of the LLP</li> </ul>                                                                      |
| <b>Section 33</b> | Obligation to contribute                                       | <ul style="list-style-type: none"> <li>• Money or other property or other benefit or to perform services for a LLP be as per the LLP Agreement</li> <li>• Creditor of a LLP, which extends credit or otherwise acts in reliance on an obligation described in that agreement, without notice of any compromise between partners, may enforce the original obligation against such partner</li> </ul>                                                                                                                                                                                                      |
| <b>Section 34</b> | Maintenance of books of account, other records and audit, etc. | <ul style="list-style-type: none"> <li>• Proper books of account relating to its affairs for each year of its existence on cash basis or accrual basis and according to double entry system of accounting and</li> <li>• Maintain the same at its registered office for the prescribed period</li> <li>• within six months from the end of each financial year, prepare a Statement of Account and Solvency at the last day of the said financial year in the prescribed form and shall be signed by the designated partners of the LLP</li> </ul>                                                        |
| <b>Section 35</b> | Annual Return                                                  | <ul style="list-style-type: none"> <li>• File an annual return duly authenticated with the Registrar within sixty days of closure of its financial year</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Section 42</b> | Partner's transferable interest                                | <ul style="list-style-type: none"> <li>• Rights of a partner to a share of the profits and losses of the LLP and to receive distributions as per the LLP agreement are transferable either wholly or in part</li> <li>• Transfer of any right by any partner does not by itself cause the disassociation of the partner or a dissolution and winding up of the LLP</li> <li>• Transfer of right does not, by itself, entitle the transferee or assignee to participate in the management or conduct of the activities of the LLP, or access information concerning the transactions of the LLP</li> </ul> |
| <b>Section 43</b> | Investigation of the affairs of limited liability partnership  | <ul style="list-style-type: none"> <li>• Central Government shall appoint one or more competent persons as inspectors to investigate the affairs of a LLP and to report the same if: <ul style="list-style-type: none"> <li>-- Tribunal, either suo motu, or on an application received from not less than one-fifth of the total number of partners of LLP, by order, declares that the affairs of the LLP ought to be investigated; or</li> <li>--any Court, by order, declares that the affairs of a LLP</li> </ul> </li> </ul>                                                                        |

| Section No.       | Section Heading                                                            | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                   |                                                                            | <p>ought to be investigated.</p> <ul style="list-style-type: none"> <li>• Appointment of inspectors be made:                             <ul style="list-style-type: none"> <li>-- if not less than one-fifth of the total number of partners make an application along with supporting evidence and security amount; or</li> <li>--if the LLP makes an application that its affairs ought to be investigated; or</li> <li>--Central Government is of the opinion that the circumstance suggests that:                                     <ul style="list-style-type: none"> <li># that the business of the LLP is being or has been conducted with an intent to defraud its creditors, partners or any other person, or otherwise for a fraudulent or unlawful purpose, or in a manner oppressive or unfairly prejudicial to some or any of its partners, or that the limited liability partnership was formed for any fraudulent or unlawful purpose; or</li> <li># that the affairs of the LLP are not being conducted in accordance with the provisions of this Act; or</li> <li># that, on receipt of a report of the Registrar or any other investigating or regulatory agency, there are sufficient reasons that the affairs of the limited liability partnership ought to be investigated</li> </ul> </li> </ul> </li> </ul> |
| <b>Section 45</b> | Firm, body corporate or association not to be appointed as inspector       | No firm, body corporate or other association shall be appointed as an inspector                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Section 55</b> | Conversion from firm into limited liability partnership                    | As per chapter X and the Second Schedule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Section 56</b> | Conversion from private company into limited liability partnership         | As per chapter X and the Third Schedule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Section 57</b> | Conversion from unlisted public company into limited liability partnership | As per chapter X and the Fourth Schedule                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Section 59</b> | Foreign limited liability partnerships                                     | Central Government may make rules for provisions in relation to establishment of place of business by foreign LLPs within India and carrying on their business therein by applying or incorporating, with such modifications, as appear appropriate, the provisions of the Companies Act, 2013 or such regulatory mechanism with such composition as may be prescribed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Section 60</b> | Compromise, arrangement or of limited liability                            | <ul style="list-style-type: none"> <li>• A compromise or arrangement if proposed--                             <ul style="list-style-type: none"> <li>--between a LLP and its creditors; or</li> <li>--between a LLP and its partners,</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

| Section No. | Section Heading                                                                              | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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|             | partnerships                                                                                 | <p>the Tribunal may, on the application of LLP or of any creditor or partner of the LLP, or, in the case of a LLP which is being wound up, of the liquidator, order a meeting of the creditors or of the partners, as the case may be, to be called, held and conducted as per the Tribunal directions</p> <ul style="list-style-type: none"> <li>If a majority representing 3/4<sup>th</sup> in value of the creditors, or partners, as the case may be, at the meeting, agree to any compromise or arrangement, it shall, if sanctioned by the Tribunal, by order be binding on all the creditors or all the partners, as the case may be, and also on the LLP, or in the case of a LLP which is being wound up, on the liquidator and contributories of the LLP</li> <li>-- no order sanctioning any compromise or arrangement shall be made by the Tribunal unless the Tribunal is satisfied that the LLP or any other person by whom an application has been made has disclosed to the Tribunal, by affidavit or otherwise, all material facts relating to the LLP, including its latest financial position and the pendency of any investigation proceedings in relation to the LLP</li> <li>Order made by the Tribunal shall be filed by the LLP with the Registrar within thirty days after making such an order and shall have effect only after it is so filed</li> </ul>                          |
| Section 62  | Provisions for facilitating reconstruction or amalgamation of limited liability partnerships | <ul style="list-style-type: none"> <li>Where an application is made to the Tribunal for sanctioning of a compromise or arrangement and it is shown to the Tribunal that: <ul style="list-style-type: none"> <li>-- compromise or arrangement has been proposed for the purposes of, or in connection with, a scheme for the reconstruction of any LLP, or the amalgamation of any two or more LLPs; and</li> <li>--under the scheme the whole or any part of the undertaking, property or liabilities of any LLP concerned in the scheme is to be transferred to another limited liability partnership, the Tribunal may, either by the order sanctioning the compromise or arrangement or by a subsequent order, make provisions for all or any of the following matters: <ul style="list-style-type: none"> <li># transfer to the transferee LLP of the whole or any part of the undertaking, property or liabilities of any transferor LLP;</li> <li># continuation by or against the transferee LLP of any legal proceedings pending by or against any transferor LLP;</li> <li># dissolution, without winding up, of any transferor LLP;</li> <li># provision to be made for any person who, within such time and in such manner as the Tribunal directs, dissent from the compromise or arrangement; and</li> <li># such incidental, consequential and supplemental</li> </ul> </li> </ul> </li> </ul> |

| Section No.       | Section Heading                                                                  | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                                                                                  | <p>matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out</p> <p>=== no compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the amalgamation of a LLP, which is being wound up, with any other LLP shall be sanctioned by the Tribunal unless the Tribunal has received a report from the Registrar that the affairs of the LLP have not been conducted in a manner prejudicial to the interests of its partners or to public interest</p> <p>==== no order for the dissolution of any transferor LLP shall be made by the Tribunal unless the Official Liquidator has, on scrutiny of the books and papers of the LLP, made a report to the Tribunal that the affairs of LLP have not been conducted in a manner prejudicial to the interests of its partners or to public interest</p> <ul style="list-style-type: none"> <li>• If order provides for the transfer of any property or liabilities, then that property shall be transferred to and vest in, and those liabilities shall be transferred to and become the liabilities of, the transferee LLP; and in the case of any property, if the order so directs, freed from any charge which is, by virtue of the compromise or arrangement, to cease to have effect</li> <li>• Within thirty days after the making of an order every LLP in relation to which the order is made shall cause a certified copy thereof to be filed with the Registrar for registration</li> <li>• Property includes property, rights and powers of every description and “liabilities” includes duties of every description</li> <li>• LLP shall not be amalgamated with a company</li> </ul> |
| <b>Section 63</b> | Winding up and dissolution                                                       | May be either voluntary or by the Tribunal and LLP, so wound up may be dissolved                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Section 64</b> | Circumstances in which limited liability partnership may be wound up by Tribunal | <ul style="list-style-type: none"> <li>• May be wound up Tribunal if:                             <ul style="list-style-type: none"> <li>--LLP decides that LLP be wound up by the Tribunal;</li> <li>--for a period of more than six months, the number of partners of the LLP is reduced below two;</li> <li>--the LLP has acted against the interests of the sovereignty and integrity of India, the security of the State or public order;</li> <li>--the LLP has made a default in filing with the Registrar the Statement of Account and Solvency or annual return for any five consecutive financial years; or</li> <li>--the Tribunal is of the opinion that it is just and equitable that the LLP be wound up</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Section 66</b> | Business transactions of partner with limited                                    | A partner may lend money to and transact other business with the LLP and has the same rights and obligations with respect to the loan or other transactions as a person who                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Section No. | Section Heading       | Provisions       |
|-------------|-----------------------|------------------|
|             | liability partnership | is not a partner |