

Basic Information about LLP (Limited Liability partnership)

- Applicable legislation for LLP is Limited Liability Partnership Act, 2008 which was enacted on January 7, 2009.
- "Limited Liability Partnership" means a partnership formed and registered under LLP Act. While,
- "Limited liability partnership agreement" means any written agreement between the partners of LLP or between the LLP and its partners which determines the mutual rights and duties of the partners and their rights and duties in relation to that LLP.
- LLP shall have at least two "designated partners" who are individuals and at least one of them shall be "resident in India"(i.e. who has stayed in India for minimum 182 days during the immediately preceding 1 year.)
- Designated partner need to obtain Designated Partner Identification Number [DPIN] and is responsible for compliance with the provisions of LLP Act.
- For Incorporation of LLP applicants are required to obtain the name from the Registrar of Companies. Once the name is approved by the ROC, the documents for incorporation need to be filed.
- LLP agreement is be filed within 30 days of incorporation of LLP.
- LLP, being a separate legal entity, shall be liable to the full extent of its assets whereas the liability of the partners of LLP shall be limited to their agreed contribution in the LLP.
- LLP can maintain its accounts on cash or accrual basis.
- LLP are required to file each year, Statement of Account and Solvency within 30 days from the end of 6 months of the financial year and Annual return within 60 days from the end of the financial year.
- LLPs may be wound-up either voluntarily or by National Company Law Tribunal.