

B COM 2ND PART

ACCOUNTING & FINANCE HONOURS PAPER III (BUSINESS REGULATORY FRAMEWORK)

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Lecture Series No
63



TOPIC- Conversions of partnership and company into LLP



My Dear Students,

In previous three classes of Unit V of Business Regulatory Framework I have discussed about Introduction to LLP, comparison of LLP from traditional partnership firm, private company and public company and process to start LLP. Today I will share my view about the conversions of partnership and company into LLP.

Conversions of partnership and company into LLP

A firm, private company or an unlisted public company may be allowed to be converted into a LLP in accordance with the provisions of the LLP act. From the date of registration as specified in the certificate of registration , all tangible and intangible property, liabilities relating to the firm or company shall vest with the LLP and the firm/ company shall be deemed to be dissolved.

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Conversion of Partnership firm and company into LLP can be carried out by the following procedure :-

1. Obtain DPIN
2. Reserve name of proposed LLP
3. Apply to Registrar in Form 17 (In case of company apply to register in form 18) online duly signed by Proposed Designated Partner . This application should also be verified by a practicing Company Secretary.

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Following document shall be attached with this Form:

- (a) Consent of each of the partner of the firm (In case of company concept of each Shareholder of the company).
- (b) Duly filled in Form 2,3 and 4.
- (c) No objection Certificate from Tax authorities.
- (d) In case of Professional Firms , approval from governing Council of relevant body.
- (e) Consent of Creditors

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On submission of complete documents, the registrar after satisfying himself about compliance with relevant provisions of LLP Act will register the LLP, and will issue a certificate of registration in form -19. After registration all the partners of the firm (In case of company all the members of the company) become partners of LLP. The new LLP so formed is required to inform within 15 days of the date of registration , to the concerned Registrar of Firms with which it was registered

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Under the provisions of the Indian Partnership Act, 1932 about the conversion and particulars of the limited liability partnership shall also be required to be submitted in Form -14 .

The LLP shall ensure that within a period of twelve months commencing not later than 14 days after the date of registration , every official correspondence of the LLP bears a statement that it has , as from the date of registration, been converted from a firm into a LLP with valid registration number.

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