

## **FREQUENTLY ASKED QUESTIONS**

### **LLP E-Filing**

**1. What are the steps to incorporate LLP?**

Name reservation: The first step to incorporate Limited liability partnership (LLP) is reservation of name of LLP. Applicant has to file eForm 1, for ascertaining availability and reservation of the name of LLP business. Incorporate LLP: After reserving a name, user has to file eForm 2 for incorporating a new Limited Liability Partnership (LLP). eForm 2 contains the details of LLP proposed to be incorporated, partners'/ designated partners' details and consent of the partners/ designated partners to act as partners/ designated partners. LLP Agreement: Execution of LLP Agreement is mandatory as per Section 23 of the Act. LLP Agreement is required to be filed with the registrar in eForm 3 within 30 days of incorporation of LLP.

**2. Can an existing partnership firm be converted to LLP?**

Yes, an existing partnership firm can be converted into LLP by complying with the Provisions of clause 58 and Schedule II of the LLP Act. Form 17 needs to be filed along with Form 2 for such conversion and incorporation of LLP.

**3. Can an existing company be converted to LLP?**

Yes, any existing private company or existing unlisted public company can be converted into LLP by complying with the Provisions of clause 58 and Schedule III and IV of the LLP Act. Form 18 needs to be filed with the registrar along with Form 2 for such conversion.

**4. Can a listed company be converted to LLP?**

No, only private / unlisted public company can be converted into LLP.

**5. In case form 17 or form 18 has been filed for conversion of partnership firm/ company into LLP, can conversion application be rejected? Is there any provision for filing an appeal against such rejection?**

Yes, conversion application (Form 17 or 18) can be rejected by the registrar, if not found appropriate along with eForm 2. The applicant has the option to go for appeal against the application rejected within 90 days and inform the registrar about the action undertaken. After the appeal is decided, the registrar can mark the status of eForm as 'Sent for re-application' or 'Rejection confirmed'.

**6. Status of my conversion application is 'Sent for re-application'. Do I need to file the application again? Do I also need to make the payment again?**

In case the eForm is marked as 'Sent for re-application', the applicant is required to file fresh Form 17 or 18 along with Form 2 within 60 days, failing which the Form will be marked as

'Rejection confirmed' by the system. In case of re-application, the fee is not required to be paid again while re-applying for conversion.

- 7. I want to convert my private company 'ABC Infotech Private Limited' into LLP but with name 'DEF Infotech LLP'. Can I get my LLP registered with new name?**

Any private company or unlisted public company can be converted into LLP. However, in this case LLP shall take same name as that of the company at the time of conversion.

- 8. How can I apply for reserving LLP Name?**

File LLP Form No. 1 (Application for reservation or change of name) by logging on to the LLP portal along with the fee prescribed and attaching the digital signature of the designated partner proposing to incorporate a LLP. Also, refer the LLP name availability guidelines prescribed under section-15 read with Rule-18 of LLP Rules, 2009.

- 9. What is the duration during which the approved name is available for formation of the LLP? Or What is the validity period of approved name of LLP?**

The approved name of LLP shall be valid for a period of 3 months from the date of approval. If the proposed LLP is not incorporated within such period, the name shall be lapsed and will be available for other applicant/ LLP. Please note that there shall not be any provision for renewal of the name.

- 10. Whether name of LLP can end with words like 'Limited' or 'Pvt. Limited'?**

No, name of the LLP shall end with either 'Limited Liability Partnership' or 'LLP'. Word 'limited' shall be allowed in name only within 'Limited Liability Partnership'.

- 11. What is the treatment for stamp duty issues, both in terms of original incorporation and conversion from other business structures? Would there be any stamp duty exemption in case of conversion?**

Since Stamp Duty is the subject reserved for the States, the LLP Act does not contain any provision for treatment of stamp duty issues. The stamp duty payable will depend upon the relevant Stamp Act prescribed by the State Government/Union Territory.

- 12. What will be the obligation of a partner in case he changes his name or address?**

Every partner shall inform the LLP of any change in his name or address within a period of fifteen days of such change. The LLP, in turn, would be under obligation to file such details with the Registrar within thirty days of such change in Form 4.

- 13. Can I comply with the requirement of two designated partner by appointing myself as a designated partner in individual capacity as well as a nominee of body corporate?**

No, Appointment of at least two “Designated Partners” shall be mandatory for all LLPs. Every LLP shall be required to have atleast two Designated Partners who shall be individuals and at least one of the Designated Partner shall be a resident of India. In case of a 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 such LLP or nominees of such bodies corporate shall act as designated partners.

- 14. I want to incorporate a LLP with more than 200 designated partners and partners. However, Form 2 has the limit of only 200 partners to be entered. What shall I do in that case? Or When Addendum to Form 2/ 4 is required to be filled by LLP?**

Filing of addendum to Form 2 with Form 2 or addendum to Form 4 with Form 4 is required to be filed if the Total number of designated partners and partners for which the Form is filed exceed 200.

- 15. In case Form 2 or Form 4 is marked for resubmission, then how the details of DPs/ partners numbering more than 200 are to be re-submitted?**

In case Form 2 or any addendum to Form 2 is marked as RSUB, then the Form 2 and all the corresponding addendums shall be marked as RSUB and shall have to be resubmitted by the stakeholder. In case Form 2 is resubmitted, status of Form 2 ‘Pending for addendum to Form 2’ and shall be changed to ‘pending for action’ once all the required addendums are filed. The above scenario is similarly applicable in case of Form 4 or any addendum thereto.

- 16. Which forms are required to be filed to Registrar in case of appointment of new partners/ resignation of existing partners from the LLP?**

Eform 3 and eform 4 are required to be filed for appointment of new and resignation of existing partners within thirty days of such cessation or appointment without additional fee and with additional fee thereafter

- 17. What is the process for intimation of changes in the partner’s details?**

The change in partner’s details can be intimated by filing eform 4 within thirty days of such change without additional fee and with additional fee thereafter.

- 18. Is it mandatory to file and get registered the partnership agreement under LLP?**

Yes, it mandatory to execute and file LLP Agreement in view of Section 2(0) & (q) , 22 and 23 of the Act. As per provisions of the LLP Act, in the absence of agreement as to any matter, the mutual rights and liabilities shall be as provided for under Schedule I to the Act. Therefore, in case any LLP proposes to exclude provisions/requirements of Schedule I to the Act, it would have to enter into an LLP Agreement, specifically excluding applicability of any or all paragraphs of Schedule I

**19. I have incorporated a LLP with partners numbering more than 200. How can I file the details of partners in Form 3?**

A limited liability partnership willing to file the information with regard to initial LLP agreements or any changes thereto, and the number of partners exceeds maximum number allowed in the eform, will need to enter/ update the details of all partners through a screen for 'Enter/ Update partners' detail for filing LLP agreement' which shall be available to the designated partners (as business partner) after login to MCA portal.

**20. I have filed Form 3 and Form 4 for cessation of partners from the LLP. The eform are pending for approval. Can I file another Form3 and Form 4 for appointment of other partners in the LLP?**

In this case filing shall not be allowed if there is any eform 3 and any eform 4 for cessation of a designated partner or partner pending for payment of fee or any eform 3/4 is under processing in respect of the LLP.

**21. What are the documents required to be filed by a LLP annually?**

LLP is required to file LLP Form 8 (Statement of Account & Solvency) and LLP Form 11 (Annual Return) annually. The 'Annual Return' is required to be filed within 60 days of close of the financial year and 'Statement of Accounts & Solvency' shall be filed within 30 days from the end of six months of the financial year to which it relates. Every LLP has to maintain uniform financial year ending on 31st March of a year.

**22. What is "Statement of Accounts and Solvency" and whether it has a prescribed format?**

Every LLP is required to file 'Statement of Accounts & Solvency' in prescribed LLP Form 8 which contains a declaration on the state of solvency of the LLP by the designated partners and also information related to statement of assets and liabilities and statement of income and expenditure of the LLP. This form has to be filed by the LLP on an annual basis.

**23. I have incorporated a LLP on 1st December of financial year, when do I require filing my statement of accounts and annual return?**

In case LLP has been incorporated on or after 1st October of financial year, then LLP can close its first financial year either on the coming or next 31st March i.e. LLP files its first financial year details for 18 months.

**24. When the details of DP or partners are required to be updated through screen for 'Verifying partner's detail'?**

In case total number of designated partners (DP) and partners as on 31st March of the financial year for which return is being filed exceeds two hundred, details are required to be updated through the screen. These details are required to be provided in the screen before filling eForm 11. Once the details are updated on the LLP portal, a service request number

(SRN) shall be generated by the system and the same is to be mentioned at the time of filing of form 11. Also note that filing of form 11 shall not be allowed in case there is any other eForm 11 pending for payment of fee or any other eForm 11 is under processing or already approved in respect of the SRN.

**25. How can I intimate charge details to the registrar? Is it mandatory to file the charge details to the registrar office?**

The charge details i.e. creation, modification or satisfaction of charge, can be filed through Appendix to eForm 8(Interim). However, it is not mandatory to file the charge details with the office of Registrar but the stakeholders can voluntarily file the same.

**26. The registered office of my LLP has been shifted from the jurisdiction of one ROC office to another. How do I file eForm 15 with both the ROCs?**

You are required to file eForm 15 at LLP portal only once. Existing registrar shall process the eForm and forward the same to the new Registrar for registration. Please note that approval of such eForm 15 shall not be allowed in case there is any other eForm(s) pending for payment of fee or is under processing in respect of the LLP. Upon approval, Certificate for change of registered address from the Registrar office shall be provided.

**27. Can LLP give any other address (besides its registered office) for the purpose of receiving communication from Registrar?**

It has been provided in the Act that a document may be served on a LLP or a partner or designated partner by sending it by post or by any other mode (to be prescribed under Rules) at the registered office and any other address specifically declared by the LLP for the purpose in such form and manner as may be prescribed (in the rules). Thus, an LLP shall have option to declare one more address within the jurisdiction of same ROC (other than the registered office) for getting statutory notices/letters etc. from Registrar.

**28. What are the provisions for reservation of name by a foreign entity under the LLP Act?**

Foreign entity can file an application for reservation of its name or for renewal of name reserved earlier by filing an application in eForm 25. The name will be reserved in system for a period of three years and an application for renewal of name should be filed before the expiry of three years. In case of renewal of name, the name should be reserved for a further period of three years after renewal date.

**29. Whether a foreign LLP can establish a place of business in India?**

Foreign LLP can establish a place of business in India by filing Form 27 giving the particulars of incorporation of foreign LLP, details of DPs/ partners of that foreign LLP and details of atleast two authorised representatives for complying with regulation of LLP act.

**30. After filing an eForm, do I need to keep track of my SRN?**

Yes, One should keep a track of the SRN till it is approved. In case of any defect, incompleteness or to call any further information, concerned MCA office can mark the status of SRN as 'Required Resubmission' or 'Waiting For User Clarification'. In such a case, the concerned company/ person will be required to rectify such defects or incompleteness or furnish further information, within prescribed period.

**31. Transaction status of my SRN is 'Waiting For User Clarification'. What should I do?**

You are required to file eForm 32 (Addendum), to rectify the defects pointed out or furnish further information/ document(s) called for by the concerned registrar office.

**32. I want to provide additional information in respect of an already filed LLP Form. Can I file addendum Form 32 for this?**

Addendum Form 32 can be filed only in case status of the relevant LLP eForm(s) in respect of which addendum is being filed is 'Pending for user clarification' (PUCL). This eForm cannot be filed suo-motu by the LLP or stakeholder (that is in case status is other than PUCL).

**33. Transaction status of my SRN is 'Required Resubmission'. What should I do?**

You are required to re-submit your eForm to rectify the defect(s)/ incompleteness pointed out by the concerned MCA office. If you fail to re-submit your eForm, you will be required to file the eForm afresh with payment of fee and additional fee, as applicable.

**34. How can I inspect the documents as filed and registered by a LLP?**

The user has to log on to LLP portal to avail the service. The following documents/ information of LLP will be available for inspection by any person:-

- Incorporation document,
  - Names of partners and changes, if any, made therein,
  - Statement of Account and Solvency
  - Annual Return
- The fees for such inspection of a LLP is Rs 50/-

**35. Can I apply for certified copies of the documents as filed and as registered by a LLP?**

Yes, a user can take a certified copy or extract of any document from the below mentioned list of documents by paying a nominal fee of Rs. 5/- per page:-

- Incorporation document,
- Names of partners and changes, if any, made therein,
- Statement of Account and Solvency
- Annual Return

**36. Is it required to file Form 14 for conversion of private company/unlisted public company in to Limited Liabilities Partnership (LLP)?**

As per notification dated 15th October, 2015 issued by Ministry, Form-14 is not required to be filed in case of conversion of private company/unlisted public company into LLP.

**37. Is it required to file Form 14 for conversion of firm in to Limited Liabilities Partnership (LLP)?**

As per notification dated 15th October, 2015 issued by Ministry, Form-14 is required to be filed in physical form with Registrar of Firms, after approval of Form 17 by Registrar of LLP.

**38. When should a user file Form 2A (addendum)?**

As per notification dated 15th October, 2015 issued by Ministry, Form 2A (addendum) is linked to Form 2. As soon as Form 2 is filed and number of partners exceeds 200, then Form 2A (Addendum) needs to be filed for number of partners exceeding 200.

**39. When should a user file Form 4A (addendum)?**

As per notification dated 15th October, 2015 issued by Ministry, Form 4A (addendum) is linked to Form 4. As soon as Form 4 is filed and number of partners exceeds 200, then Form 4A needs to be filed for number of partners exceeding 200.

Source: [www.mca.gov.in](http://www.mca.gov.in)

In case you need further assistance please feel free to contact us!!

We will be more than happy to work with you :-)

Thanks & Regards,

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