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The Limited Liability Partnership Act, 2008

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The Limited Liability Partnership Act, 2008¹

[Act 6 of 2009]

[7th January, 2009]

An Act to make provisions for the formation and regulation of limited liability partnerships and for matters connected therewith or incidental thereto

Be it enacted by Parliament in the Fifty-ninth Year of the Republic of India as follows:—

Statement of Objects and Reasons.—With the growth of the Indian economy, the role played by its entrepreneurs as well as its technical and professional manpower has been acknowledged internationally. It is felt opportune that entrepreneurship, knowledge and risk capital combine to provide a further impetus to India's economic growth. In this background, a need has been felt for a new corporate form that would provide an alternative to the traditional partnership, with unlimited personal liability on the one hand, and, the statute-based governance structure of the limited liability company on the other, in order to enable professional expertise and entrepreneurial initiative to combine, organise and operate in flexible, innovative and efficient manner.

2. The Limited Liability Partnership (LLP) is viewed as an alternative corporate business vehicle that provides the benefits of limited liability but allows its members the flexibility of organising their internal structure as a partnership based on a mutually arrived agreement. The LLP form would enable entrepreneurs, professionals and enterprises providing services of any kind or engaged in scientific and technical disciplines, to form commercially efficient vehicles suited to their requirements. Owing to flexibility in its structure and operation, the LLP would also be a suitable vehicle for small enterprises and for investment by venture capital.

3. Keeping in mind the need of the day, the Government had introduced the Limited Liability Partnership Bill, 2006 in the Rajya Sabha on the 15th December, 2006. It was referred to the Department Related Parliamentary Standing Committee on Finance for examination and report. The Hon'ble Committee presented its 58th Report to the Lok Sabha on 27th November, 2007 and also laid the said Report in the Rajya Sabha on the same day. The Hon'ble Committee made several recommendations which were examined and considered by the Government. Most of the recommendations made by the Hon'ble Committee have been accepted by the Government. Based on the recommendations of the Hon'ble Committee, extensive changes were found to be necessary in the Bill. Hence, it is proposed to withdraw the Limited Liability Partnership Bill, 2006 and introduce a fresh Bill incorporating the changes.

4. The salient features of the Limited Liability Partnership Bill, 2008, inter alia, are as follows:—

- (i) the LLP shall be a body corporate and a legal entity separate from its partners. Any two or more persons, associated for carrying on a lawful business with a view to profit, may by subscribing their names to an incorporation document and filing the same with the Registrar, form a Limited Liability Partnership. The LLP will have perpetual succession;
- (ii) the mutual rights and duties of partners of an LLP inter se and those of the LLP and its partners shall be governed by an agreement between partners or between the LLP and the partners subject to the provisions of the proposed legislation. The Bill, if enacted, would provide flexibility to devise the agreement as per their choice. In the absence of any such agreement, the mutual rights and duties shall be governed by the provisions of proposed legislation.

1. Received the assent of the President on January 7, 2009 and published in the Gazette of India, Extra., Part II, Section 1, dated 9th January, 2009, pp. 1-35, No. 7.

- (iii) the LLP will be a separate legal entity, liable to the full extent of its assets, with the liability of the partners being limited to their agreed contribution in the LLP which may be of tangible or intangible nature or both tangible and intangible in nature. No partner would be liable on account of the independent or unauthorised actions of other partners or their misconduct. The liabilities of the LLP and partners who are found to have acted with intent to defraud creditors or for any fraudulent purpose shall be unlimited for all or any of the debts or other liabilities of the LLP.
- (iv) every LLP shall have at least two partners and shall also have at least two individuals as Designated Partners, of whom at least one shall be resident in India. The duties and obligations of Designated Partners shall be as provided in the law;
- (v) the LLP shall be under an obligation to maintain annual accounts reflecting true and fair view of its state of affairs. A statement of accounts and solvency shall be filed by every LLP with the Registrar every year. The accounts of LLPs shall also be audited, subject to any class of LLPs being exempted from this requirement by the Central Government;
- (vi) the Central Government shall have powers to investigate the affairs of an LLP, if required, by appointment of competent Inspector for the purpose;
- (vii) the compromise or arrangement including merger and amalgamation of LLPs shall be in accordance with the provisions of the proposed legislation;
- (viii) a firm, private company or an unlisted public company would be allowed to be converted into LLP in accordance with the provisions of the proposed Bill. Upon such conversion, on and from the date of certificate of registration issued by the Registrar in this regard, the effects of the conversion shall be such as are specified in the proposed Bill. On and from the date of registration specified in the certificate of registration, all tangible (movable or immovable) and intangible property vested in the firm or the company, all assets, interests, rights, privileges, liabilities, obligations relating to the firm or the company, and the whole of the undertaking of the firm or the company, shall be transferred to and shall vest in the LLP without further assurance, act or deed and the firm or the company, shall be deemed to be dissolved and removed from the records of the Registrar of Firms or Registrar of Companies, as the case may be;
- (ix) the winding up of the LLP may be either voluntary or by the Tribunal to be established under the Companies Act, 1956. Till the Tribunal is established, the power in this regard has been given to the High Court;
- (x) the proposed legislation would confer powers on the Central Government to apply provisions of the Companies Act, 1956 as appropriate, by notification with such changes or modifications as deemed necessary. However, such notifications shall be laid in draft before each House of Parliament for a total period of 30 days and shall be subject to any modification as may be approved by both Houses;
- (xi) the Indian Partnership Act, 1932 shall not be applicable to LLPs.

5. The Bill seeks to achieve the above objectives.

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Limited Liability Partnership Act, 2008.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Date of Enforcement*.—(1) Provisions of Section 1, Section 2 except clauses (c) and (u) of its sub-section (1), Sections 3 to 30, Section 31 except to the extent of its application in context of the 'Tribunal', Sections 32 to 51, Sections 52 to 54, Sections 59 to 62, Section 63, 64 and Section 65, Sections 66 to 71, Sections 74 to 80, Section 81 except clauses (b) to the extent of its application to Sections 51, 63 and 64 and clause (c), First Sch., came into force, w.e.f. 31-3-2009 [Vide Noti. No. S.O. 891(E), dt. 31-3-2009].

(2) Provisions of Sections 55 to 58, Second Schedule, Third Schedule and Fourth Schedule, came into force, w.e.f. 31-5-2009 [Vide Noti. No. S.O. 1323(E), dated 22-5-2009].

2. Definitions.—(1) In this Act, unless the context otherwise requires,—

- (a) “address”, in relation to a partner of a limited liability partnership, means—
 - (i) if an individual, his usual residential address; and
 - (ii) if a body corporate, the address of its registered office;
- (b) “advocate” means an advocate as defined in clause (a) of sub-section (1) of Section 2 of the Advocates Act, 1961 (25 of 1961);
- (c) “Appellate Tribunal” means the National Company Law Appellate Tribunal constituted under sub-section (1) of Section 10-FR of the Companies Act, 1956 (1 of 1956);
- (d) “body corporate” means a company as defined in Section 3 of the Companies Act, 1956 (1 of 1956) and includes—
 - (i) a limited liability partnership registered under this Act;
 - (ii) a limited liability partnership incorporated outside India; and
 - (iii) a company incorporated outside India,
 but does not include—
 - (i) a corporation sole;
 - (ii) a co-operative society registered under any law for the time being in force; and
 - (iii) any other body corporate (not being a company as defined in Section 3 of the Companies Act, 1956 (1 of 1956) or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (e) “business” includes every trade, profession, service and occupation;
- (f) “chartered accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of Section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of Section 6 of that Act;
- (g) “company secretary” means a company secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) and who has obtained a certificate of practice under sub-section (1) of Section 6 of that Act;
- (h) “cost accountant” means a cost accountant as defined in clause (b) of sub-section (1) of Section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who has obtained a certificate of practice under sub-section (1) of Section 6 of that Act;
- (i) “Court”, with respect to any offence under this Act, means the Court having jurisdiction as per the provisions of Section 77;

* As amended by GSR 549(E), dt. 10-7-2012.

- (j) “designated partner” means any partner designated as such pursuant to Section 7;
- (k) “entity” means any body corporate and includes, for the purposes of Sections 18, 46, 47, 48, 49, 50, 52 and 53, a firm set-up under the Indian Partnership Act, 1932 (9 of 1932);
- (l) “financial year”, in relation to a limited liability partnership, means the period from the 1st day of April of a year to the 31st day of March of the following year:
Provided that in the case of a limited liability partnership 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;
- (m) “foreign limited liability partnership” means a limited liability partnership formed, incorporated or registered outside India which establishes a place of business within India;
- (n) “limited liability partnership” means a partnership formed and registered under this Act;
- (o) “limited liability partnership agreement” means any written agreement between the partners of the limited liability partnership or between the limited liability partnership and its partners which determines the mutual rights and duties of the partners and their rights and duties in relation to that limited liability partnership;
- (p) “name”, in relation to a partner of a limited liability partnership, means—
 - (i) if an individual, his forename, middle name and surname; and
 - (ii) if a body corporate, its registered name;
- (q) “partner”, in relation to a limited liability partnership, means any person who becomes a partner in the limited liability partnership in accordance with the limited liability partnership agreement;
- (r) “prescribed” means prescribed by rules made under this Act;
- (s) “Registrar” means a Registrar, or an Additional, a Joint, a Deputy or an Assistant Registrar, having the duty of registering companies under the Companies Act, 1956 (1 of 1956);
- (t) “Schedule” means a Schedule to this Act;
- (u) “Tribunal” means the National Company Law Tribunal constituted under sub-section (1) of Section 10-FB of the Companies Act, 1956 (1 of 1956).

(2) Words and expressions used and not defined in this Act but defined in the Companies Act, 1956 (1 of 1956) shall have the meanings respectively assigned to them in that Act.

CHAPTER II

NATURE OF LIMITED LIABILITY PARTNERSHIP

3. Limited liability partnership to be body corporate.—(1) A limited liability partnership is a body corporate formed and incorporated under this Act and is a legal entity separate from that of its partners.

(2) A limited liability partnership shall have perpetual succession.

(3) Any change in the partners of a limited liability partnership shall not affect the existence, rights or liabilities of the limited liability partnership.

4. Non-applicability of the Indian Partnership Act, 1932.—Save as otherwise provided, the provisions of the Indian Partnership Act, 1932 (9 of 1932) shall not apply to a limited liability partnership.

5. Partners.—Any individual or body corporate may be a partner in a limited liability partnership:

Provided that an individual shall not be capable of becoming a partner of a limited liability partnership, if—

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent; or
- (c) he has applied to be adjudicated as an insolvent and his application is pending.

6. Minimum number of partners.—(1) Every limited liability partnership shall have at least two partners.

(2) If at any time the number of partners of a limited liability partnership is reduced below two and the limited liability partnership carries on business for more than six months while the number is so reduced, the person, who is the only partner of the limited liability partnership 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 limited liability partnership incurred during that period.

7. Designated partners.—(1) Every limited liability partnership shall have at least two designated partners who are individuals and at least one of them shall be a resident in India:

Provided that in case of a limited liability partnership 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 limited liability partnership or nominees of such bodies corporate shall act as designated partners.

Explanation.—For the purposes of this section, the term “resident in India” means a person who has stayed in India for a period of not less than one hundred and eighty-two days during the immediately preceding one year.

(2) Subject to the provisions of sub-section (1),—

(i) if the incorporation document—

- (a) specifies who are to be designated partners, such persons shall be designated partners on incorporation; or
- (b) states that each of the partners from time to time of limited liability partnership is to be designated partner, every such partner shall be a designated partner;

(ii) any partner may become a designated partner by and in accordance with the limited liability partnership agreement and a partner may cease to be a designated partner in accordance with limited liability partnership agreement.

(3) An individual shall not become a designated partner in any limited liability partnership unless he has given his prior consent to act as such to the limited liability partnership in such form and manner as may be prescribed.

(4) Every limited liability partnership shall file with the registrar the particulars of every individual who has given his consent to act as designated partner in such form and manner as may be prescribed within thirty days of his appointment.

(5) An individual eligible to be a designated partner shall satisfy such conditions and requirements as may be prescribed.

(6) Every designated partner of a limited liability partnership shall obtain a Designated Partner Identification Number (DPIN) from the Central Government and the provisions of Sections 266-A to 266-G (both inclusive) of the Companies Act, 1956 (1 of 1956) shall apply mutatis mutandis for the said purpose.

8. Liabilities of designated partners.—Unless expressly provided otherwise in this Act, a designated partner shall be—

- (a) responsible for the doing of all acts, matters and things as are required to be done by the limited liability partnership in respect of compliance of the provisions of this Act including filing of any document, return, statement and the like report pursuant to the provisions of this Act and as may be specified in the limited liability partnership agreement; and
- (b) liable to all penalties imposed on the limited liability partnership for any contravention of those provisions.

9. Changes in designated partners.—A limited liability partnership may appoint a designated partner within thirty days of a vacancy arising for any reason and provisions of sub-section (4) and sub-section (5) of Section 7 shall apply in respect of such new designated partner:

Provided that 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.

10. Punishment for contravention of Sections 7, 8 and 9.—(1) If the limited liability partnership contravenes the provisions of sub-section (1) of Section 7, the limited liability partnership and its every partner shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to five lakh rupees.

(2) If the limited liability partnership contravenes the provisions of sub-section (4) and sub-section (5) of Section 7, Section 8 or Section 9, the limited liability partnership and its every partner shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees.

CHAPTER III

INCORPORATION OF LIMITED LIABILITY PARTNERSHIP AND MATTERS INCIDENTAL THERETO

11. Incorporation document.—(1) For a limited liability partnership to be incorporated,—

- (a) two or more persons associated for carrying on a lawful business with a view to profit shall subscribe their names to an incorporation document;

- (b) the incorporation document shall be filed in such manner and with such fees, as may be prescribed with the Registrar of the State in which the registered office of the limited liability partnership is to be situated; and
- (c) there shall be filed along with the incorporation document, a statement in the prescribed form, 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 limited liability partnership and by any one who subscribed his name to the incorporation document, that all the requirements of this Act and the rules made thereunder have been complied with, in respect of incorporation and matters precedent and incidental thereto.

(2) The incorporation document shall—

- (a) be in a form as may be prescribed;
- (b) state the name of the limited liability partnership;
- (c) state the proposed business of the limited liability partnership;
- (d) state the address of the registered office of the limited liability partnership;
- (e) state the name and address of each of the persons who are to be partners of the limited liability partnership on incorporation;
- (f) state the name and address of the persons who are to be designated partners of the limited liability partnership on incorporation;
- (g) contain such other information concerning the proposed limited liability partnership as may be prescribed.

(3) If a person makes a statement under clause (c) of sub-section (1) which he—

- (a) knows to be false; or
- (b) does not believe to be true,

shall be punishable with imprisonment for a term which may extend to two years and with fine which shall not be less than ten thousand rupees but which may extend to five lakh rupees.

12. Incorporation by registration.—(1) When the requirements imposed by clauses (b) and (c) of sub-section (1) of Section 11 have been complied with, the Registrar shall retain the incorporation document and, unless the requirement imposed by clause (a) of that sub-section has not been complied with, he shall, within a period of fourteen days—

- (a) register the incorporation document; and
- (b) give a certificate that the limited liability partnership is incorporated by the name specified therein.

(2) The Registrar may accept the statement delivered under clause (c) of sub-section (1) of Section 11 as sufficient evidence that the requirement imposed by clause (a) of that sub-section has been complied with.

(3) The certificate issued under clause (b) of sub-section (1) shall be signed by the Registrar and authenticated by his official seal.

(4) The certificate shall be conclusive evidence that the limited liability partnership is incorporated by the name specified therein.

13. Registered office of limited liability partnership and change therein.—(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.

(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 and manner as may be prescribed.

(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.

(4) If the limited liability partnership contravenes any provisions of this section, the limited liability partnership and its every partner shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees.

14. Effect of registration.—On registration, a limited liability partnership shall, by its name, be capable of—

- (a) suing and being sued;
- (b) acquiring, owning, holding and developing or disposing of property, whether movable or immovable, tangible or intangible;
- (c) having a common seal, if it decides to have one; and
- (d) doing and suffering such other acts and things as bodies corporate may lawfully do and suffer.

15. Name.—(1) Every limited liability partnership shall have either the words “limited liability partnership” or the acronym “LLP” as the last words of its name.

(2) No limited liability partnership shall be registered by a name which, in the opinion of the Central Government is —

- (a) undesirable; or
- (b) identical or too nearly resembles to that of any other partnership firm or limited liability partnership or body corporate or a registered trade mark, or a trade mark which is the subject matter of an application for registration of any other person under the Trade Marks Act, 1999 (47 of 1999).

16. Reservation of name.—(1) A person may apply in such form and manner and accompanied by such fee as may be prescribed to the Registrar for the reservation of a name set out in the application as—

- (a) the name of a proposed limited liability partnership; or
- (b) the name to which a limited liability partnership proposes to change its name.

(2) Upon receipt of an application under sub-section (1) and on payment of the prescribed fee, the Registrar may, if he is satisfied, subject to the rules prescribed by the Central Government in the matter, that the name to be reserved is not one which may be rejected on any ground referred to in sub-section (2) of Section 15, reserve the name for a period of three months from the date of intimation by the Registrar.

17. Change of name of limited liability partnership.—(1) Notwithstanding anything contained in Sections 15 and 16, where the Central Government is satisfied that a limited liability partnership has been registered (whether through inadvertence or otherwise and whether originally or by a change of name) under a name which —

- (a) is a name referred to in sub-section (2) of Section 15; or
- (b) is identical with or too nearly resembles the name of any other limited liability partnership or body corporate or other name as to be likely to be mistaken for it,

the Central Government may direct such limited liability partnership to change its name, and the limited liability partnership shall comply with the said direction within three months after the date of the direction or such longer period as the Central Government may allow.

(2) Any limited liability partnership which fails to comply with a direction given under sub-section (1) shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to five lakh rupees and the designated partner of such limited liability partnership shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees.

18. Application for direction to change name in certain circumstances.—(1) Any entity which already has a name similar to the name of a limited liability partnership which has been incorporated subsequently, may apply, in such manner as may be prescribed, to the Registrar to give a direction to any limited liability partnership, on a ground referred to in Section 17 to change its name.

(2) The Registrar shall not consider any application under sub-section (1) to give a direction to a limited liability partnership on the ground referred to in clause (b) of sub-section (1) of Section 17 unless the Registrar receives the application within twenty-four months from the date of registration of the limited liability partnership under that name.

19. Change of registered name.—Any limited liability partnership may change its name registered with the Registrar by filing with him a notice of such change in such form and manner and on payment of such fees as may be prescribed.

20. Penalty for improper use of words “limited liability partnership” or “LLP”.—If any person or persons carry on business under any name or title of which the words “Limited Liability Partnership” or “LLP” or any contraction or imitation thereof is or are the last word or words, that person or each of those persons shall, unless duly incorporated as limited liability partnership, be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

21. Publication of name and limited liability.—(1) Every limited liability partnership shall ensure that its invoices, official correspondence and publications bear the following, namely:—

- (a) the name, address of its registered office and registration number of the limited liability partnership; and
- (b) a statement that it is registered with limited liability.

(2) Any limited liability partnership which contravenes the provisions of sub-section (1) shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees.

CHAPTER IV
PARTNERS AND THEIR RELATIONS

22. Eligibility to be partners.—On the incorporation of a limited liability partnership, the persons who subscribed their names to the incorporation document shall be its partners and any other person may become a partner of the limited liability partnership by and in accordance with the limited liability partnership agreement.

23. Relationship of partners.—(1) Save as otherwise provided by this Act, the mutual rights and duties of the partners of a limited liability partnership, and the mutual rights and duties of a limited liability partnership and its partners, shall be governed by the limited liability partnership agreement between the partners, or between the limited liability partnership and its partners.

(2) The limited liability partnership agreement and any changes, if any, made therein shall be filed with the Registrar in such form, manner and accompanied by such fees as may be prescribed.

(3) An agreement in writing made before the incorporation of a limited liability partnership between the persons who subscribe their names to the incorporation document may impose obligations on the limited liability partnership, provided such agreement is ratified by all the partners after the incorporation of the limited liability partnership.

(4) In the absence of agreement as to any matter, the mutual rights and duties of the partners and the mutual rights and duties of the limited liability partnership and the partners shall be determined by the provisions relating to that matter as are set out in the First Schedule.

24. Cessation of partnership interest.—(1) A person may cease to be a partner of a limited liability partnership in accordance with an agreement with the other partners or, in the absence of 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 of his intention to resign as partner.

(2) A person shall cease to be a partner of a limited liability partnership—

- (a) on his death or dissolution of the limited liability partnership; or
- (b) if he is declared to be of unsound mind by a competent court; or
- (c) if he has applied to be adjudged as an insolvent or declared as an insolvent.

(3) Where a person has ceased to be a partner of a limited liability partnership (hereinafter referred to as “former partner”), the former partner is to be regarded (in relation to any person dealing with the limited liability partnership) as still being a partner of the limited liability partnership unless—

- (a) the person has notice that the former partner has ceased to be a partner of the limited liability partnership; or
- (b) notice that the former partner has ceased to be a partner of the limited liability partnership has been delivered to the Registrar.

(4) The cessation of a partner from the limited liability partnership does not by itself discharge the partner from any obligation to the limited liability partnership or to the other partners or to any other person which he incurred while being a partner.

(5) Where a partner of a limited liability partnership ceases to be a partner, unless otherwise provided in the limited liability partnership agreement, the former partner or a person entitled to his share in consequence of the death or insolvency of the former partner, shall be entitled to receive from the limited liability partnership—

- (a) an amount equal to the capital contribution of the former partner actually made to the limited liability partnership; and
- (b) his right to share in the accumulated profits of the limited liability partnership,

after the deduction of accumulated losses of the limited liability partnership, determined as at the date the former partner ceased to be a partner.

(6) A former partner or a person entitled to his share in consequence of the death or insolvency of the former partner shall not have any right to interfere in the management of the limited liability partnership.

25. Registration of changes in partners.—(1) Every partner shall inform the limited liability partnership of any change in his name or address within a period of fifteen days of such change.

(2) A limited liability partnership shall—

- (a) where a person becomes or ceases to be a partner, file a notice with the Registrar within thirty days from the date he becomes or ceases to be a partner; and
- (b) where there is any change in the name or address of a partner, file a notice with the Registrar within thirty days of such change.

(3) A notice filed with the Registrar under sub-section (2)—

- (a) shall be in such form and accompanied by such fees as may be prescribed;
- (b) shall be signed by the designated partner of the limited liability partnership and authenticated in a manner as may be prescribed; and
- (c) if it relates to an incoming partner, shall contain a statement by such partner that he consents to becoming a partner, signed by him and authenticated in the manner as may be prescribed.

(4) If the limited liability partnership contravenes the provisions of sub-section (2), the limited liability partnership and every designated partner of the limited liability partnership shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees.

(5) If any partner contravenes the provisions of sub-section (1), such partner shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees.

(6) Any person who ceases to be a partner of a limited liability partnership may himself file with the Registrar the notice referred to in sub-section (3) if he has reasonable cause to believe that the limited liability partnership may not file the notice with the Registrar and in case of any such notice filed by a partner, the Registrar shall obtain a confirmation to this effect from the limited liability partnership unless the limited liability partnership has also filed such notice:

Provided that where no confirmation is given by the limited liability partnership within fifteen days, the registrar shall register the notice made by a person ceasing to be a partner under this section.

CHAPTER V

EXTENT AND LIMITATION OF LIABILITY OF LIMITED LIABILITY PARTNERSHIP AND PARTNERS

26. Partner as agent.—Every partner of a limited liability partnership is, for the purpose of the business of the limited liability partnership, the agent of the limited liability partnership, but not of other partners.

27. Extent of liability of limited liability partnership.—(1) A limited liability partnership is not bound by anything done by a partner in dealing with a person if—

- (a) the partner in fact has no authority to act for the limited liability partnership in doing a particular act; and
- (b) the person knows that he has no authority or does not know or believe him to be a partner of the limited liability partnership.

(2) The limited liability partnership is liable if a partner of a limited liability partnership is liable to any person as a result of a wrongful act or omission on his part in the course of the business of the limited liability partnership or with its authority.

(3) An obligation of the limited liability partnership whether arising in contract or otherwise, shall be solely the obligation of the limited liability partnership.

(4) The liabilities of the limited liability partnership shall be met out of the property of the limited liability partnership.

28. Extent of liability of partner.—(1) A partner is not personally liable, directly or indirectly for an obligation referred to in sub-section (3) of Section 27 solely by reason of being a partner of the limited liability partnership.

(2) The provisions of sub-section (3) of Section 27 and sub-section (1) of this section shall not affect the personal liability of a partner for his own wrongful act or omission, but a partner shall not be personally liable for the wrongful act or omission of any other partner of the limited liability partnership.

29. Holding out.—(1) Any 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 limited liability partnership is liable to any person who has on the faith of any such representation given credit to the limited liability partnership, 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:

Provided that where any credit is received by the limited liability partnership as a result of such representation, the limited liability partnership 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.

(2) Where after a partner's death the business is continued in the same limited liability partnership name, the continued use of that name or of the deceased partner's name as a part thereof shall not of itself make his legal representative or his estate liable for any act of the limited liability partnership done after his death.

30. Unlimited liability in case of fraud.—(1) In the event of an act carried out by a limited liability partnership, or any of its partners, with intent to defraud creditors of the limited liability partnership or any other person, or for any fraudulent purpose, the liability of the limited liability partnership and partners who acted with intent to defraud creditors or for any fraudulent purpose shall be unlimited for all or any of the debts or other liabilities of the limited liability partnership:

Provided that in case any such act is carried out by a partner, the limited liability partnership is liable to the same extent as the partner unless it is established by the limited liability partnership that such act was without the knowledge or the authority of the limited liability partnership.

(2) Where any business is carried on with such intent or for such purpose as mentioned in sub-section (1), 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 two years and with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

(3) Where a limited liability partnership or any partner or designated partner or employee of such limited liability partnership has conducted the affairs of the limited liability partnership in a fraudulent manner, then without prejudice to any criminal proceedings which may arise under any law for the time being in force, the limited liability partnership and any such partner or designated partner or employee shall be liable to pay compensation to any person who has suffered any loss or damage by reason of such conduct:

Provided that such limited liability partnership shall not be liable if any such partner or designated partner or employee has acted fraudulently without knowledge of the limited liability partnership.

31. Whistle blowing.—(1) The Court or Tribunal may reduce or waive any penalty leviable against any partner or employee of a limited liability partnership, if it is satisfied that—

- (a) such partner or employee of a limited liability partnership has provided useful information during investigation of such limited liability partnership; or
- (b) when any information given by any partner or employee (whether or not during investigation) leads to limited liability partnership or any partner or employee of such limited liability partnership being convicted under this Act or any other Act.

(2) No partner or employee of any limited liability partnership may be discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against the terms and conditions of his limited liability partnership or employment merely because if his providing information or causing information to be provided pursuant to sub-section (1).

CHAPTER VI CONTRIBUTIONS

32. Form of contribution.—(1) A contribution of a partner may consist of tangible, movable or immovable or intangible property or other benefit to the

limited liability partnership, including money, promissory notes, other agreements to contribute cash or property, and contracts for services performed or to be performed.

(2) The monetary value of contribution of each partner shall be accounted for and disclosed in the accounts of the limited liability partnership in the manner as may be prescribed.

33. Obligation to contribute.—(1) The obligation of a partner to contribute money or other property or other benefit or to perform services for a limited liability partnership shall be as per the limited liability partnership agreement.

(2) A creditor of a limited liability partnership, 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.

CHAPTER VII

FINANCIAL DISCLOSURES

34. Maintenance of books of account, other records and audit, etc.—(1) The limited liability partnership shall maintain such proper books of account as may be prescribed 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 shall maintain the same at its registered office for such period as may be prescribed.

(2) Every limited liability partnership shall, within a period of six months from the end of each financial year, prepare a Statement of Account and Solvency for the said financial year as at the last day of the said financial year in such form as may be prescribed, and such statement shall be signed by the designated partners of the limited liability partnership.

(3) Every limited liability partnership shall file within the prescribed time, the Statement of Account and Solvency prepared pursuant to sub-section (2) with the Registrar every year in such form and manner and accompanied by such fees as may be prescribed.

(4) The accounts of limited liability partnerships shall be audited in accordance with such rules as may be prescribed:

Provided that the Central Government may, by notification in the Official Gazette, exempt any class or classes of limited liability partnerships from the requirements of this sub-section.

(5) Any limited liability partnership which fails to comply with the provisions of this section shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees and every designated partner of such limited liability partnership shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees.

35. Annual return.—(1) Every limited liability partnership shall file an annual return duly authenticated with the Registrar within sixty days of closure of its financial year in such form and manner and accompanied by such fee as may be prescribed.

(2) Any limited liability partnership which fails to comply with the provisions of this section shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees.

(3) If the limited liability partnership contravenes the provisions of this section, the designated partner of such limited liability partnership shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees.

36. Inspection of documents kept by Registrar.—The incorporation document, names of partners and changes, if any, made therein, Statement of Account and Solvency and annual return filed by each limited liability partnership with the Registrar shall be available for inspection by any person in such manner and on payment of such fee as may be prescribed.

37. Penalty for false statement.—If in any return, statement or other document required by or for the purposes of any of the provisions of this Act, any person makes a statement—

- (a) which is false in any material particular, knowing it to be false; or
- (b) which omits any material fact knowing it to be material,

he shall, save as otherwise expressly provided in this Act, be punishable with imprisonment for a term which may extend to two years, and shall also be liable to fine which may extend to five lakh rupees but which shall not be less than one lakh rupees.

38. Power of Registrar to obtain information.—(1) In order to obtain such information as the Registrar may consider necessary for the purposes of carrying out the provisions of this Act, the Registrar may require any person including any present or former partner or designated partner or employee of a limited liability partnership to answer any question or make any declaration or supply any details or particulars in writing to him within a reasonable period.

(2) In case any person referred to in sub-section (1) does not answer such question or make such declaration or supply such details or particulars asked for by the Registrar within a reasonable time or time given by the Registrar or when the Registrar is not satisfied with the reply or declaration or details or particulars provided by such person, the Registrar shall have power to summon that person to appear before him or an inspector or any other public officer whom the Registrar may designate, to answer any such question or make such declaration or supply such details, as the case may be.

(3) Any person who, without lawful excuse, fails to comply with any summons or requisition of the Registrar under this section shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees.

39. Compounding of offences.—The Central Government may compound any offence under this Act which is punishable with fine only, by collecting from a person reasonably suspected of having committed the offence, a sum which may extend to the amount of the maximum fine prescribed for the offence.

40. Destruction of old records.—The Registrar may destroy any document filed or registered with him in physical form or in electronic form in accordance with such rules as may be prescribed.

41. Enforcement of duty to make returns, etc.—(1) If any limited liability partnership is in default in complying with—

- (a) any provisions of this Act or of any other law which requires the filing in any manner with the Registrar of any return, account or other document or the giving of notice to him of any matter; or
- (b) any request of the Registrar to amend or complete and re-submit any document or to submit a fresh document,

and fails to make good the default within fourteen days after the service on the limited liability partnership of a notice requiring it to be done, the Tribunal may, on application by the Registrar, make an order directing that limited liability partnership or its designated partners or its partners to make good the default within such time as specified in the order.

(2) Any such order may provide that all the costs of and incidental to the application shall be borne by that limited liability partnership.

(3) Nothing in this section shall limit the operation of any other provision of this Act or any other law imposing penalties in respect of any default referred to in this section on that limited liability partnership.

CHAPTER VIII

ASSIGNMENT AND TRANSFER OF PARTNERSHIP RIGHTS

42. Partner's transferable interest.—(1) The rights of a partner to a share of the profits and losses of the limited liability partnership and to receive distributions in accordance with the limited liability partnership agreement are transferable either wholly or in part.

(2) The transfer of any right by any partner pursuant to sub-section (1) does not by itself cause the disassociation of the partner or a dissolution and winding up of the limited liability partnership.

(3) The transfer of right pursuant to this section does not, by itself, entitle the transferee or assignee to participate in the management or conduct of the activities of the limited liability partnership, or access information concerning the transactions of the limited liability partnership.

CHAPTER IX

INVESTIGATION

43. Investigation of the affairs of limited liability partnership.—(1) The Central Government shall appoint one or more competent persons as inspectors to investigate the affairs of a limited liability partnership and to report thereon in such manner as it may direct if—

- (a) the Tribunal, either suo motu, or on an application received from not less than one-fifth of the total number of partners of limited liability partnership, by order, declares that the affairs of the limited liability partnership ought to be investigated; or
- (b) any Court, by order, declares that the affairs of a limited liability partnership ought to be investigated.

(2) The Central Government may appoint one or more competent persons as inspectors to investigate the affairs of a limited liability partnership and to report on them in such manner as it may direct.

(3) The appointment of inspectors pursuant to sub-section (2) may be made,—

- (a) if not less than one-fifth of the total number of partners of the limited liability partnership make an application along with supporting evidence and security amount as may be prescribed; or
- (b) if the limited liability partnership makes an application that the affairs of the limited liability partnership ought to be investigated; or
- (c) if, in the opinion of the Central Government, there are circumstances suggesting—
 - (i) that the business of the limited liability partnership 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
 - (ii) that the affairs of the limited liability partnership are not being conducted in accordance with the provisions of this Act; or
 - (iii) 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.

44. Application by partners for investigation.—An application by partners of the limited liability partnership under clause (a) of sub-section (1) of Section 43 shall be supported by such evidence as the Tribunal may require for the purpose of showing that the applicants have good reason for requiring the investigation and the Central Government may, before appointing an inspector, require the applicants to give security, of such amount as may be prescribed, for payment of costs of the investigation.

45. Firm, body corporate or association not to be appointed as inspector.—No firm, body corporate or other association shall be appointed as an inspector.

46. Power of inspectors to carry out investigation into affairs of related entities, etc.—(1) If an inspector appointed by the Central Government to investigate the affairs of a limited liability partnership thinks it necessary for the purposes of his investigation to investigate also the affairs of an entity which has been associated in the past or is presently associated with the limited liability partnership or any present or former partner or designated partner of the limited liability partnership, the inspector shall have the power to do so and shall report on the affairs of the other entity or partner or designated partner, so far as he thinks that the results of his investigation thereof are relevant to the investigation of the affairs of the limited liability partnership.

(2) In the case of any entity or partner or designated partner referred to in sub-section (1), the inspector shall not exercise his power of investigating into, and reporting on, its or his affairs without obtaining the prior approval of the Central Government thereto:

Provided that before according approval under this sub-section, the Central Government shall give the entity or partner or designated partner a reasonable opportunity to show cause why such approval should not be accorded.

47. Production of documents and evidence.—(1) It shall be the duty of the designated partner and partners of the limited liability partnership—



- (a) to preserve and to produce before an inspector or any person authorised by him in this behalf with the previous approval of the Central Government, all books and papers of, or relating to, the limited liability partnership or, as the case may be, the other entity, which are in their custody or power; and
- (b) otherwise to give to the inspector all assistance in connection with the investigation which they are reasonably able to give.

(2) The inspector may, with the previous approval of the Central Government, require any entity other than an entity referred to in sub-section (1) to furnish such information to, or produce such books and papers before him or any person authorised by him in this behalf, with the previous approval of that Government, as he may consider necessary, if the furnishing of such information or the production of such books and papers is relevant or necessary for the purposes of his investigation.

(3) The inspector may keep in his custody any books and papers produced under sub-section (1) or sub-section (2) for thirty days and thereafter shall return the same to the limited liability partnership, other entity or individual by whom or on whose behalf the books and papers are produced:

Provided that the inspector may call for the books and papers if they are needed again:

Provided further that if certified copies of the books and papers produced under sub-section (2) are furnished to the inspector, he shall return those books and papers to the entity or person concerned.

(4) An inspector may examine on oath—

- (a) any of the persons referred to in sub-section (1);
- (b) with the previous approval of the Central Government, any other person in relation to the affairs of the limited liability partnership or any other entity, as the case may be; and
- (c) may administer an oath accordingly and for that purpose may require any of those persons to appear before him personally.

(5) If any person fails without reasonable cause or refuses—

- (a) to produce before an inspector or any person authorised by him in this behalf with the previous approval of the Central Government any book or paper which it is his duty under sub-section (1) or sub-section (2) to produce; or
- (b) to furnish any information which is his duty under sub-section (2) to furnish; or
- (c) to appear before the inspector personally when required to do so under sub-section (4) or to answer any question which is put to him by the inspector in pursuance of that sub-section; or
- (d) to sign the notes of any examination,

he shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees and with a further fine which shall not be less than fifty rupees but which may extend to five hundred rupees for every day after the first day after which the default continues.

(6) The notes of any examination under sub-section (4) shall be taken down in writing and signed by the person whose examination was made on oath and a copy of

such notes shall be given to the person so examined on oath and thereafter be used as an evidence by the inspector.

48. Seizure of documents by inspector.—(1) Where in the course of investigation, the inspector has reasonable ground to believe that the books and papers of, or relating to, the limited liability partnership or other entity or partner or designated partner of such limited liability partnership may be destroyed, mutilated, altered, falsified or secreted, the inspector may make an application to the Judicial Magistrate of the first class, or, as the case may be, the Metropolitan Magistrate, having jurisdiction, for an order for the seizure of such books and papers.

(2) After considering the application and hearing the inspector, if necessary, the Magistrate may, by order, authorise the inspector —

- (a) to enter, with such assistance, as may be required, the place or places where such books and papers are kept;
- (b) to search that place or those places in the manner specified in the order; and
- (c) to seize books and papers which the inspector considers it necessary for the purposes of his investigation.

(3) The inspector shall keep in his custody the books and papers seized under this section for such period not later than the conclusion of the investigation as he considers necessary and thereafter shall return the same to the concerned entity or person from whose custody or power they were seized and inform the Magistrate of such return:

Provided that the books and papers shall not be kept seized for a continuous period of more than six months:

Provided further that the inspector may, before returning such books and papers as aforesaid, place identification marks on them or any part thereof.

(4) Save as otherwise provided in this section, every search or seizure made under this section shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) relating to searches or seizures made under that Code.

49. Inspector's report.—(1) The inspectors may, and if so directed by the Central Government, shall make interim reports to that Government, and on the conclusion of the investigation, shall make a final report to the Central Government and any such report shall be written or printed, as the Central Government may direct.

(2) The Central Government—

- (a) shall forward a copy of any report (other than an interim report) made by the inspectors to the limited liability partnership at its registered office, and also to any other entity or person dealt with or related to the report; and
- (b) may, if it thinks fit, furnish a copy thereof, on request and on payment of the prescribed fee, to any person or entity related to or affected by the report.

50. Prosecution.—If, from the report under Section 49, it appears to the Central Government that any person in relation to the limited liability partnership or in relation to any other entity whose affairs have been investigated, has been guilty of any offence for which he is liable, the Central Government may prosecute such person for the offence; and it shall be the duty of all partners, designated partners and other employees and agents of the limited liability partnership or other entity, as the case may be, to give

the Central Government all assistance in connection with the prosecution which they are reasonably able to give.

51. Application for winding up of limited liability partnership.—If any such limited liability partnership is liable to be wound up under this Act or any other law for the time being in force, and it appears to the Central Government from any such report under Section 49 that it is expedient to do so by reason of any such circumstances as are referred to in sub-clause (i) or sub-clause (ii) of clause (c) of sub-section (3) of Section 43, the Central Government may, unless the limited liability partnership is already being wound up by the Tribunal, cause to be presented to the Tribunal by any person authorised by the Central Government in this behalf, a petition for the winding up of the limited liability partnership on the ground that it is just and equitable that it should be wound up.

52. Proceedings for recovery of damages or property.—If, from any report under Section 49, it appears to the Central Government that proceedings ought, in the public interest, to be brought by the limited liability partnership or any entity whose affairs have been investigated,—

- (a) for the recovery of damages in respect of any fraud, misfeasance or other misconduct in connection with the promotion or formation, or the management of the affairs, of such limited liability partnership or such other entity; or
- (b) for the recovery of any property of such limited liability partnership or such other entity, which has been misapplied or wrongfully retained,

the Central Government may itself bring proceedings for that purpose.

53. Expenses of investigation.—(1) The expenses of, and incidental to, an investigation by an inspector appointed by the Central Government under this Act shall be defrayed in the first instance by the Central Government; but the following persons shall, to the extent mentioned below, be liable to reimburse the Central Government in respect of such expenses, namely:—

- (a) any person who is convicted on a prosecution, or who is ordered to pay damages or restore any property in proceedings brought by virtue of Section 52, may, in the same proceedings, be ordered to pay the said expenses to such extent as may be specified by the court convicting such person, or ordering him to pay such damages or restore such property, as the case may be;
- (b) any entity in whose name proceedings are brought as aforesaid shall be liable, to the extent of the amount or value of any sums or property recovered by it as a result of the proceedings; and
- (c) unless, as a result of the investigation, a prosecution is instituted in pursuance of Section 50,—
 - (i) any entity, a partner or designated partner or any other person dealt with by the report of the inspector shall be liable to reimburse the Central Government in respect of the whole of the expenses, unless and except in so far as, the Central Government otherwise directs; and

- (ii) the applicants for the investigation, where the inspector was appointed in pursuance of the provisions of clause (a) of sub-section (1) of Section 43, shall be liable to such extent, if any, as the Central Government may direct.

(2) Any amount for which a limited liability partnership or other entity is liable by virtue of clause (b) of sub-section (1) shall be a first charge on the sums or property mentioned in that clause.

(3) The amount of expenses in respect of which any limited liability partnership, other entity, a partner or designated partner or any other person is liable under sub-clause (i) of clause (c) of sub-section (1) to reimburse the Central Government shall be recoverable as arrears of land revenue.

(4) For the purposes of this section, any costs or expenses incurred by the Central Government or in connection with the proceedings brought by virtue of Section 52 shall be treated as expenses of the investigation giving rise to the proceedings.

54. Inspector's report to be evidence.—A copy of any report of any inspector or inspectors appointed under the provisions of this Act, authenticated in such manner, if any, as may be prescribed, shall be admissible in any legal proceeding as evidence in relation to any matter contained in the report.

CHAPTER X

CONVERSION TO LIMITED LIABILITY PARTNERSHIP

55. Conversion from firm into limited liability partnership.—A firm may convert into a limited liability partnership in accordance with the provisions of this Chapter and the Second Schedule.

56. Conversion from private company into limited liability partnership.—A private company may convert into a limited liability partnership in accordance with the provisions of this Chapter and the Third Schedule.

57. Conversion from unlisted public company into limited liability partnership.—An unlisted public company may convert into a limited liability partnership in accordance with the provisions of this Chapter and the Fourth Schedule.

58. Registration and effect of conversion.—(1) The Registrar, on satisfying that a firm, private company or an unlisted public company, as the case may be, has complied with the provisions of the Second Schedule, the Third Schedule or the Fourth Schedule, as the case may be, shall, subject to the provisions of this Act and the rules made thereunder, register the documents submitted under such Schedule and issue a certificate of registration in such form as the Registrar may determine stating that the limited liability partnership is, on and from the date specified in the certificate, registered under this Act:

Provided that the limited liability partnership shall, within fifteen days of the date of registration, inform the concerned Registrar of Firms or Registrar of Companies, as the case may be, with which it was registered under the provisions of the Indian Partnership Act, 1932 (9 of 1932) or the Companies Act, 1956 (1 of 1956), as the case may be, about the conversion and of the particulars of the limited liability partnership in such form and manner as may be prescribed.

(2) Upon such conversion, the partners of the firm, the shareholders of private company or unlisted public company, as the case may be, the limited liability partnership to which such firm or such company has converted, and the partners of the limited liability partnership shall be bound by the provisions of the Second Schedule, the Third Schedule or the Fourth Schedule, as the case may be, applicable to them.

(5) Upon such conversion, on and from the date of certificate of registration, the effects of the conversion shall be such as specified in the Second Schedule, the Third Schedule or the Fourth Schedule, as the case may be.

(4) Notwithstanding anything contained in any other law for the time being in force, on and from the date of registration specified in the certificate of registration issued under the Second Schedule, the Third Schedule or the Fourth Schedule, as the case may be,—

- (a) there shall be a limited liability partnership by the name specified in the certificate of registration registered under this Act;
- (b) all tangible (movable or immovable) and intangible property vested in the firm or the company, as the case may be, all assets, interests, rights, privileges, liabilities, obligations relating to the firm or the company, as the case may be, and the whole of the undertaking of the firm or the company, as the case may be, shall be transferred to and shall vest in the limited liability partnership without further assurance, act or deed; and
- (c) the firm or the company, as the case may be, shall be deemed to be dissolved and removed from the records of the Registrar of Firms or Registrar of Companies, as the case may be.

CHAPTER XI

FOREIGN LIMITED LIABILITY PARTNERSHIPS

59. Foreign limited liability partnerships.—The Central Government may make rules for provisions in relation to establishment of place of business by foreign limited liability partnerships within India and carrying on their business therein by applying or incorporating, with such modifications, as appear appropriate, the provisions of the Companies Act, 1956 (1 of 1956) or such regulatory mechanism with such composition as may be prescribed.

CHAPTER XII

COMPROMISE, ARRANGEMENT OR RECONSTRUCTION OF LIMITED LIABILITY PARTNERSHIPS

60. Compromise, or arrangement of limited liability partnerships.—(1) Where a compromise or arrangement is proposed—

- (a) between a limited liability partnership and its creditors; or
- (b) between a limited liability partnership and its partners,

the Tribunal may, on the application of the limited liability partnership or of any creditor or partner of the limited liability partnership, or, in the case of a limited liability partnership 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 in such manner as may be prescribed or as the Tribunal directs.

(2) If a majority representing three-fourths in value of the creditors, or partners, as the case may be, at the meeting, agree to any compromise or arrangement, the compromise or arrangement 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 limited liability partnership, or in the case of a limited liability partnership which is being wound up, on the liquidator and contributories of the limited liability partnership:

Provided that no order sanctioning any compromise or arrangement shall be made by the Tribunal unless the Tribunal is satisfied that the limited liability partnership or any other person by whom an application has been made under sub-section (1) has disclosed to the Tribunal, by affidavit or otherwise, all material facts relating to the limited liability partnership, including the latest financial position of the limited liability partnership and the pendency of any investigation proceedings in relation to the limited liability partnership.

(3) An order made by the Tribunal under sub-section (2) shall be filed by the limited liability partnership with the Registrar within thirty days after making such an order and shall have effect only after it is so filed.

(4) If default is made in complying with sub-section (3), the limited liability partnership, and every designated partner of the limited liability partnership shall be punishable with fine which may extend to one lakh rupees.

(5) The Tribunal may, at any time after an application has been made to it under this section, stay the commencement or continuation of any suit or proceeding against the limited liability partnership on such terms as the Tribunal thinks fit, until the application is finally disposed of.

61. Power of Tribunal to enforce compromise or arrangement.—(1) Where the Tribunal makes an order under Section 60 sanctioning a compromise or an arrangement in respect of a limited liability partnership, it—

- (a) shall have power to supervise the carrying out of the compromise or an arrangement; and
- (b) may, at the time of making such order or at any time thereafter, give such directions in regard to any matter or make such modifications in the compromise or arrangement as it may consider necessary for the proper working of the compromise or arrangement.

(2) If the Tribunal aforesaid is satisfied that a compromise or an arrangement sanctioned under Section 60 cannot be worked satisfactorily with or without modifications, it may, either on its own motion or on the application of any person interested in the affairs of the limited liability partnership, make an order for winding up the limited liability partnership, and such an order shall be deemed to be an order made under Section 64 of this Act.

62. Provisions for facilitating reconstruction or amalgamation of limited liability partnerships.—(1) Where an application is made to the Tribunal under Section 60 for sanctioning of a compromise or arrangement proposed between a limited liability partnership and any such persons as are mentioned in that section, and it is shown to the Tribunal that—

- (a) compromise or arrangement has been proposed for the purposes of, or in connection with, a scheme for the reconstruction of any limited liability

partnership or limited liability partnerships, or the amalgamation of any two or more limited liability partnerships; and

- (b) under the scheme the whole or any part of the undertaking, property or liabilities of any limited liability partnership concerned in the scheme (in this section referred to as a “transferor limited liability partnership”) is to be transferred to another limited liability partnership (in this section referred to as the “transferee 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, namely:—

- (i) the transfer to the transferee limited liability partnership of the whole or any part of the undertaking, property or liabilities of any transferor limited liability partnership;
- (ii) the continuation by or against the transferee limited liability partnership of any legal proceedings pending by or against any transferor limited liability partnership;
- (iii) the dissolution, without winding up, of any transferor limited liability partnership;
- (iv) the 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
- (v) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out:

Provided that no compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the amalgamation of a limited liability partnership, which is being wound up, with any other limited liability partnership or limited liability partnerships, shall be sanctioned by the Tribunal unless the Tribunal has received a report from the Registrar that the affairs of the limited liability partnership have not been conducted in a manner prejudicial to the interests of its partners or to public interest:

Provided further that no order for the dissolution of any transferor limited liability partnership under clause (iii) shall be made by the Tribunal unless the Official Liquidator has, on scrutiny of the books and papers of the limited liability partnership, made a report to the Tribunal that the affairs of the limited liability partnership have not been conducted in a manner prejudicial to the interests of its partners or to public interest.

(2) Where an order under this section provides for the transfer of any property or liabilities, then, by virtue of the order, that property shall be transferred to and vest in, and those liabilities shall be transferred to and become the liabilities of, the transferee limited liability partnership; 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.

(3) Within thirty days after the making of an order under this section, every limited liability partnership in relation to which the order is made shall cause a certified copy thereof to be filed with the Registrar for registration.

(4) If default is made in complying with the provisions of sub-section (3), the limited liability partnership, every designated partner of the limited liability partnership shall be punishable with fine which may extend to fifty thousand rupees.

Explanation.—In this section “property” includes property, rights and powers of every description; and “liabilities” includes duties of every description.

CHAPTER XIII

WINDING UP AND DISSOLUTION

63. Winding up and dissolution.—The winding up of a limited liability partnership may be either voluntary or by the Tribunal and limited liability partnership, so wound up may be dissolved.

64. Circumstances in which limited liability partnership may be wound up by Tribunal.—A limited liability partnership may be wound up by the Tribunal,—

- (a) if the limited liability partnership decides that limited liability partnership be wound up by the Tribunal;
- (b) if, for a period of more than six months, the number of partners of the limited liability partnership is reduced below two;
- (c) ²[* * *]
- (d) if the limited liability partnership has acted against the interests of the sovereignty and integrity of India, the security of the State or public order;
- (e) if the limited liability partnership 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
- (f) if the Tribunal is of the opinion that it is just and equitable that the limited liability partnership be wound up.

65. Rules for winding up and dissolution.—The Central Government may make rules for the provisions in relation to winding up and dissolution of limited liability partnerships.

CHAPTER XIV

MISCELLANEOUS

66. Business transactions of partner with limited liability partnership.—A partner may lend money to and transact other business with the limited liability partnership and has the same rights and obligations with respect to the loan or other transactions as a person who is not a partner.

67. Application of the provisions of the Companies Act.—(1) The Central Government may, by notification in the Official Gazette, direct that any of the provisions of the Companies Act, 1956 (1 of 1956) specified in the notification—

- (a) shall apply to any limited liability partnership; or
- (b) shall apply to any limited liability partnership with such exception, modification and adaptation, as may be specified, in the notification.

(2) A copy of every notification proposed to be issued under sub-section (1) shall be laid in draft before each House of Parliament, while it is in session, for a total period

2. Omitted by Act 31 of 2016, S. 254 and Sch. X (w.e.f. 15-11-2016). Prior to omission it read as:
“(c) if the limited liability partnership is unable to pay its debts;”

of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in disapproving the issue of the notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.

68. Electronic filing of documents.—(1) Any document required to be filed, recorded or registered under this Act may be filed, recorded or registered in such manner and subject to such conditions as may be prescribed.

(2) A copy of or an extract from any document electronically filed with or submitted to the Registrar which is supplied or issued by the Registrar and certified through affixing digital signature as per the Information Technology Act, 2000 (21 of 2000) to be a true copy of or extract from such document shall, in any proceedings, be admissible in evidence as of equal validity with the original document.

(3) Any information supplied by the Registrar that is certified by the Registrar through affixing digital signature to be a true extract from any document filed with or submitted to the Registrar shall, in any proceedings, be admissible in evidence and be presumed, unless evidence to the contrary is adduced, to be a true extract from such document.

69. Payment of additional fee.—Any document or return required to be filed or registered under this Act with the Registrar, if, is not filed or registered in time provided therein, may be filed or registered after that time up to a period of three hundred days from the date within which it should have been filed, on payment of additional fee of one hundred rupees for every day of such delay in addition to any fee as is payable for filing of such document or return:

Provided that such document or return may, without prejudice to any other action or liability under this Act, also be filed after such period of three hundred days on payment of fee and additional fee specified in this section.

70. Enhanced punishment.—In case a limited liability partnership or any partner or designated partner of such limited liability partnership commits any offence, the limited liability partnership or any partner or designated partner shall, for the second or subsequent offence, be punishable with imprisonment as provided, but in case of offences for which fine is prescribed either along with or exclusive of imprisonment, with fine which shall be twice the amount of fine for such offence.

71. Application of other laws not barred.—The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

72. Jurisdiction of Tribunal and Appellate Tribunal.—(1) The Tribunal shall exercise such powers and perform such functions as are, or may be, conferred on it by or under this Act or any other law for the time being in force.

(2) Any person aggrieved by an order or decision of Tribunal may prefer an appeal to the Appellate Tribunal and the provisions of Sections 10-FQ, 10-FZA, 10-G, 10-GD, 10-GE and 10-GF of the Companies Act, 1956 (1 of 1956) shall be applicable in respect of such appeal.

73. Penalty of non-compliance of any order passed by Tribunal.—Whoever fails to comply with any order made by the Tribunal under any provision of this Act shall be punishable with imprisonment which may extend to six months and shall also be liable to a fine which shall not be less than fifty thousand rupees.

74. General penalties.—Any person guilty of an offence under this Act for which no punishment is expressly provided shall be liable to a fine which may extend to five lakh rupees but which shall not be less than five thousand rupees and with a further fine which may extend to fifty rupees for every day after the first day after which the default continues.

75. Power of Registrar to strike defunct limited liability partnership off register.—Where the Registrar has reasonable cause to believe that a limited liability partnership is not carrying on business or its operation, in accordance with the provisions of this Act, the name of limited liability partnership may be struck off the register of limited liability partnerships in such manner as may be prescribed:

Provided that the Registrar shall, before striking off the name of any limited liability partnership under this section, give such limited liability partnership a reasonable opportunity of being heard.

76. Offences by limited liability partnerships.—Where an offence under this Act committed by a limited liability partnership is proved—

- (a) to have been committed with the consent or connivance of a partner or partners or designated partner or designated partners of the limited liability partnership; or
- (b) to be attributable to any neglect on the part of the partner or partners or designated partner or designated partners of that limited liability partnership,

the partner or partners or designated partner or designated partners of the limited liability partnership, as the case may be, as well as that limited liability partnership shall be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

77. Jurisdiction of Court.—Notwithstanding any provision to the contrary in any Act for the time being in force, the Judicial Magistrate of the first class or, as the case may be, the Metropolitan Magistrate shall have jurisdiction to try any offence under this Act and shall have power to impose punishment in respect of said offence.

78. Power to alter schedules.—(1) The Central Government may, by notification in the Official Gazette, alter any of the provisions contained in any of the Schedules to this Act.

(2) Any alteration notified under sub-section (1) shall have effect as if enacted in the Act and shall come into force on the date of the notification, unless the notification otherwise directs.

(3) Every alteration made by the Central Government under sub-section (1) shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the alteration, or both Houses agree that the alteration should not

be made, the alteration shall, thereafter, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done in pursuance of that alteration.

79. Power to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) form and manner of prior consent to be given by designated partner under sub-section (3) of Section 7;
- (b) the form and manner of particulars of every individual agreeing to act as designated partner of limited liability partnership under sub-section (4) of Section 7;
- (c) the conditions and requirements relating to the eligibility of an individual to become a designated partner under sub-section (5) of Section 7;
- (d) the manner of filing the incorporation document and payment of fees payable thereof under clause (b) of sub-section (1) of Section 11;
- (e) the form of statement to be filed under clause (c) of sub-section (1) of Section 11;
- (f) the form of incorporation document under clause (a) of sub-section (2) of Section 11;
- (g) the information to be contained in the incorporation document concerning the proposed limited liability partnership under clause (g) of sub-section (2) of Section 11;
- (h) the manner of serving the documents on a limited liability partnership or a partner or a designated partner and the form and manner in which any other address may be declared by the limited liability partnership under sub-section (2) of Section 13;
- (i) the form and manner of notice to the Registrar and the conditions in respect of change of registered office under sub-section (3) of Section 13;
- (j) the form and manner of application and amount of fee payable to the Registrar under sub-section (1) of Section 16;
- (k) the manner in which names will be reserved by the Registrar under sub-section (2) of Section 16;
- (l) the manner in which an application may be made by an entity under sub-section (1) of Section 18;
- (m) the form and manner of notice of change of name of limited liability partnership and the amount of fee payable under Section 19;
- (n) the form and manner of the limited liability partnership agreement and the changes made therein and the amount of fee payable under sub-section (2) of Section 23;
- (o) the form of notice, the amount of fee payable and the manner of authentication of the statement under clauses (a), (b) and (c) of sub-section (3) of Section 25;
- (p) the manner of accounting and disclosure of monetary value of contribution of a partner under sub-section (2) of Section 32;

- (q) the books of account and the period of their maintenance under sub-section (1) of Section 34;
- (r) the form of Statement of Account and Solvency under sub-section (2) of Section 34;
- (s) the form, manner, fee and time of filing of Statement of Account and Solvency under sub-section (3) of Section 34;
- (t) the audit of accounts of a limited liability partnership under sub-section (4) of Section 34;
- (u) the form and manner of annual return and fee payable under sub-section (1) of Section 35;
- (v) the manner and amount of fee payable for inspection of incorporation document, names of partners and changes made therein, Statement of Account and Solvency and annual return under Section 36;
- (w) the destruction of documents by Registrar in any form under Section 40;
- (x) the amount required as security under clause (a) of sub-section (3) of Section 43;
- (y) the amount of security to be given under Section 44;
- (z) the fee payable for furnishing a copy under clause (b) of sub-section (2) of Section 49;
- (za) the manner of authentication of report of inspector under Section 54;
- (zb) the form and manner of particulars about conversion under the proviso to sub-section (1) of Section 58;
- (zc) in relation to establishment of place of business and carrying on business in India by foreign limited liability partnerships and regulatory mechanism and composition under Section 59;
- (zd) the manner of calling, holding and conducting meeting under sub-section (1) of Section 60;
- (ze) in relation to winding up and dissolution of limited liability partnerships under Section 65;
- (zf) the manner and conditions for filing document electronically under sub-section (1) of Section 68;
- (zg) the manner for striking off the names of limited liability partnerships from the register under Section 75;
- (zh) the form and manner of statement containing particulars and amount of fee payable under sub-paragraph (a) of Paragraph 4 of the Second Schedule;
- (zi) the form and manner of particulars about conversion under the proviso to Paragraph 5 of the Second Schedule;
- (zj) the form and manner of the statement and the amount of fee payable under sub-paragraph (a) of Paragraph 3 of the Third Schedule;
- (zk) the form and manner of particulars about conversion under the proviso to Paragraph 4 of the Third Schedule;
- (zl) the form and manner of the statement and amount of fee payable under sub-paragraph (a) of Paragraph 4 of the Fourth Schedule; and
- (zm) the form and manner of particulars about conversion under the proviso to Paragraph 5 of the Fourth Schedule.

(3) Every rule made under this Act by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule shall, thereafter, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

80. Power to remove difficulties.—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as may appear to it to be necessary for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of a period of two years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament.

81. Transitional provisions.—Until the Tribunal and the Appellate Tribunal are constituted under the provisions of the Companies Act, 1956 (1 of 1956), the provisions of this Act shall have effect to the following modifications, namely:—

- (a) for the word “Tribunal” occurring in clause (b) of sub-section (1) of Section 41, clause (a) of sub-section (1) of Section 43 and Section 44, the words “Company Law Board” had been *substituted*;
- (b) for the word “Tribunal” occurring in Section 51 and in Sections 60 to 64, the words “High Court” had been *substituted*;
- (c) for the words “Appellate Tribunal” occurring in sub-section (2) of Section 72, the words “High Court” had been *substituted*.

THE FIRST SCHEDULE

[See Section 23(4)]

Provisions regarding matters relating to mutual rights and duties of partners and limited liability partnership and its partners applicable in the absence of any agreement on such matters

1. The mutual rights and duties of the partners and the mutual rights and duties of the limited liability partnership and its partners shall be determined, subject to the terms of any limited liability partnership agreement or in the absence of any such agreement on any matter, by the provisions in this Schedule.
2. All the partners of a limited liability partnership are entitled to share equally in the capital, profits and losses of the limited liability partnership.
3. The limited liability partnership shall indemnify each partner in respect of payments made and personal liabilities incurred by him—
 - (a) in the ordinary and proper conduct of the business of the limited liability partnership; or
 - (b) in or about anything necessarily done for the preservation of the business or property of the limited liability partnership.
4. Every partner shall indemnify the limited liability partnership for any loss caused to it by his fraud in the conduct of the business of the limited liability partnership.
5. Every partner may take part in the management of the limited liability partnership.

6. No partner shall be entitled to remuneration for acting in the business or management of the limited liability partnership.

7. No person may be introduced as a partner without the consent of all the existing partners.

8. Any matter or issue relating to the limited liability partnership shall be decided by a resolution passed by a majority in number of the partners, and for this purpose, each partner shall have one vote. However, no change may be made in the nature of business of the limited liability partnership without the consent of all the partners.

9. Every limited liability partnership shall ensure that decisions taken by it are recorded in the minutes within thirty days of taking such decisions and are kept and maintained at the registered office of the limited liability partnership.

10. Each partner shall render true accounts and full information of all things affecting the limited liability partnership to any partner or his legal representatives.

11. If a partner, without the consent of the limited liability partnership, carries on any business of the same nature as and competing with the limited liability partnership, he must account for and pay over to the limited liability partnership all profits made by him in that business.

12. Every partner shall account to the limited liability partnership for any benefit derived by him without the consent of the limited liability partnership from any transaction concerning the limited liability partnership, or from any use by him of the property, name or any business connection of the limited liability partnership.

13. No majority of the partners can expel any partner unless a power to do so has been conferred by express agreement between the partners.

14. All disputes between the partners arising out of the limited liability partnership agreement which cannot be resolved in terms of such agreement shall be referred for arbitration as per the provisions of the Arbitration and Conciliation Act, 1996 (26 of 1996).

THE SECOND SCHEDULE

(See Section 55)

Conversion from firm into limited liability partnership

1. Interpretation.—In this Schedule, unless the context otherwise requires,—

- (a) “firm” means a firm as defined in Section 4 of the Indian Partnership Act, 1932 (9 of 1932);
- (b) “convert”, in relation to a firm converting into a limited liability partnership, means a transfer of the property, assets, interests, rights, privileges, liabilities, obligations and the undertaking of the firm to the limited liability partnership in accordance with this Schedule.

2. Conversion from firm into limited liability partnership.—(1) A firm may convert into a limited liability partnership by complying with the requirements as to the conversion set out in this Schedule.

(2) Upon such conversion, the partners of the firm shall be bound by the provisions of this Schedule that are applicable to them.

3. Eligibility for conversion.—A firm may apply to convert into a limited liability partnership in accordance with this Schedule if and only if the partners of the limited liability partnership into which the firm is to be converted, comprise, all the partners of the firm and no one else.

4. Statements to be filed.—A firm may apply to convert into a limited liability partnership by filing with the Registrar—

- (a) a statement by all of its partners in such form and manner and accompanied by such fee as the Central Government may prescribe, containing the following particulars, namely:—
 - (i) the name and registration number, if applicable, of the firm; and
 - (ii) the date on which the firm was registered under the Indian Partnership Act, 1932 (9 of 1932) or under any other law, if applicable, and
- (b) incorporation document and statement referred to in Section 11.

5. Registration of conversion.—On receiving the documents referred to in Paragraph 4, the Registrar shall subject to the provisions of this Act, register the documents and issue a certificate of registration in such form as the Registrar may determine stating that the limited liability partnership is, on and from the date specified in the certificate, registered under this Act:

Provided that the limited liability partnership shall, within fifteen days of the date of registration, inform the concerned Registrar of Firms with which it was registered under the provisions of the Indian Partnership Act, 1932 (9 of 1932) about the conversion and of the particulars of the limited liability partnership in such form and manner as the Central Government may prescribe.

6. Registrar may refuse to register.—(1) Nothing in this Schedule shall be construed as to require the Registrar to register any limited liability partnership if he is not satisfied with the particulars or other information furnished under the provisions of this Act:

Provided that an appeal may be made before the Tribunal in case of refusal of registration by the Registrar:

³[Provided further that until the Tribunal is constituted under the Companies Act, 1956, the appeal under this sub-paragraph may be made before the Company Law Board.]

(2) The Registrar may, in any particular case, require the documents referred to in Paragraph 4 to be verified in such manner, as he considers fit.

7. Effect of registration.—On and from the date of registration specified in the certificate of registration issued under Paragraph 5,—

- (a) there shall be a limited liability partnership by the name specified in the certificate of registration registered under this Act;
- (b) all tangible (movable and immovable) property as well as intangible property vested in the firm, all assets, interests, rights, privileges, liabilities, obligations relating to the firm and the whole of the undertaking of the firm shall be transferred to and shall vest in the limited liability partnership without further assurance, act or deed; and
- (c) the firm shall be deemed to be dissolved and if earlier registered under the Indian Partnership Act, 1932 (9 of 1932) removed from the records maintained under that Act.

8. Registration in relation to property.—If any property to which sub-paragraph (b) of Paragraph 7 applies is registered with any authority, the limited liability partnership shall, as soon as practicable after the date of registration, take all necessary steps as required by the relevant authority to notify the authority of the conversion and of the particulars of the limited liability partnership in such medium and form as the authority may specify.

9. Pending proceedings.—All proceedings by or against the firm which are pending in any Court or Tribunal or before any authority on the date of registration may be continued, completed and enforced by or against the limited liability partnership.

10. Continuance of conviction, ruling, order or judgment.—Any conviction, ruling, order or judgment of any Court, Tribunal or other authority in favour of or against the firm may be enforced by or against the limited liability partnership.

11. Existing agreements.—Every agreement to which the firm was a party immediately before the date of registration, whether or not of such nature that the rights and liabilities thereunder could be assigned, shall have effect as from that date as if—

- (a) the limited liability partnership were a party to such an agreement instead of the firm; and
- (b) for any reference to the firm, there were substituted in respect of anything to be done on or after the date of registration a reference to the limited liability partnership.

12. Existing contracts, etc.—All deeds, contracts, schemes, bonds, agreements, applications, instruments and arrangements subsisting immediately before the date of registration relating to the firm or to which the firm is a party, shall continue in force on and after that date as if they relate to the limited liability partnership and shall be enforceable by or against the limited liability partnership as if the limited liability partnership were named therein or were a party thereto instead of the firm.

13. Continuance of employment.—Every contract of employment to which Paragraph 11 or Paragraph 12 applies shall continue to be in force on or after the date of registration as if the limited liability partnership were the employer thereunder instead of the firm.

14. Existing appointment, authority or power.—(1) Every appointment of the firm in any role or capacity which is in force immediately before the date of registration shall take effect and operate from that date as if the limited liability partnership were appointed.

(2) Any authority or power conferred on the firm which is in force immediately before the date of registration shall take effect and operate from that date as if it were conferred on the limited liability partnership.

15. Application of Paragraphs 7 to 14.—The provisions of Paragraphs 7 to 14 (both inclusive) shall apply to any approval, permit or licence issued to the firm under any other Act which is in force immediately before the date of registration of the limited liability partnership, subject to the provisions of such other Act under which such approval, permit or licence has been issued.

16. Partner liable for liabilities and obligations of firm before conversion.—(1) Notwithstanding anything in Paragraphs 7 to 14 (both inclusive), every partner of a firm that has converted into a limited liability partnership shall continue to be personally liable (jointly and severally with the limited liability partnership) for the liabilities and obligations of the firm which were incurred prior to the conversion or which arose from any contract entered into prior to the conversion.

(2) If any such partner discharges any liability or obligation referred to in sub-paragraph (1), he shall be entitled (subject to any agreement with the limited liability partnership to the contrary) to be fully indemnified by the limited liability partnership in respect of such liability or obligation.

17. Notice of conversion in correspondence.—(1) The limited liability partnership shall ensure that for a period of twelve months commencing not later than fourteen days after the date of registration, every official correspondence of the limited liability partnership bears the following:

- (a) a statement that it was, as from the date of registration, converted from a firm into a limited liability partnership; and
- (b) the name and registration number, if applicable, of the firm from which it was converted.

(2) Any limited liability partnership which contravenes the provisions of sub-paragraph (1) shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees and with a further fine which shall not be less than fifty rupees but which may extend to five hundred rupees for every day after the first day after which the default continues.

THE THIRD SCHEDULE

(See Section 56)

Conversion from private company into limited liability partnership

1. Interpretation.—In this Schedule, unless the context otherwise requires,—

- (a) “company” means a private company as defined in clause (iii) of sub-section (1) of Section 3 of the Companies Act, 1956 (1 of 1956);
- (b) “convert”, in relation to a private company converting into a limited liability partnership, means a transfer of the property, assets, interests, rights, privileges, liabilities, obligations and the undertaking of the private company to the limited liability partnership in accordance with this Schedule.

2. Eligibility for conversion of private companies into limited liability partnership.—(1) A company may convert into a limited liability partnership by complying with the requirements as to the conversion set out in this Schedule.

(2) A company may apply to convert into a limited liability partnership in accordance with this Schedule if and only if—

- (a) there is no security interest in its assets subsisting or in force at the time of application; and
- (b) the partners of the limited liability partnership to which it converts comprise all the shareholders of the company and no one else.

(3) Upon such conversion, the company, its shareholders, the limited liability partnership into which the company has converted and the partners of that limited liability partnership shall be bound by the provisions of this Schedule that are applicable to them.

3. Statements to be filed.—A company may apply to convert into a limited liability partnership by filing with the Registrar—

- (a) a statement by all its shareholders in such form and manner to be accompanied by such fees as the Central Government may prescribe, containing the following particulars, namely:—
 - (i) the name and registration number of the company;
 - (ii) the date on which the company was incorporated; and
- (b) incorporation document and statement referred to in Section 11.

4. Registration of conversion.—On receiving the documents referred to in Paragraph 3, the Registrar shall, subject to the provisions of this Act and the rules made thereunder, register the documents and issue a certificate of registration in such form as the Registrar may determine stating that the limited liability partnership is, on and from the date specified in the certificate, registered under this Act:

Provided that the limited liability partnership shall, within fifteen days of the date of registration, inform the concerned Registrar of Companies with which it was registered under the provisions of the Companies Act, 1956 (1 of 1956) about the conversion and of the particulars of the limited liability partnership in such form and manner as the Central Government may prescribe.

5. Registrar may refuse to register.—(1) Nothing in this Schedule shall be construed as to require the Registrar to register any limited liability partnership if he is not satisfied with the particulars or other information furnished under the provisions of this Act:

Provided that an appeal may be made before the Tribunal in case of refusal of registration by the Registrar:

⁴[Provided further that until the Tribunal is constituted under the Companies Act, 1956, the appeal under this sub-paragraph may be made before the Company Law Board.]

(2) The Registrar may, in any particular case, require the documents referred to in Paragraph 3 to be verified in such manner, as he considers fit.

6. Effect of registration.—On and from the date of registration specified in the certificate of registration issued under Paragraph 4—

- (a) there shall be a limited liability partnership by the name specified in the certificate of registration registered under this Act;
- (b) all tangible (movable or immovable) and intangible property vested in the company, all assets, interests, rights, privileges, liabilities, obligations relating to the company and the whole of the undertaking of the company shall be transferred to and shall vest in the limited liability partnership without further assurance, act or deed; and
- (c) the company shall be deemed to be dissolved and removed from the records of the Registrar of Companies.

7. Registration in relation to property.—If any property to which clause (b) of Paragraph 6 applies is registered with any authority, the limited liability partnership shall, as soon as practicable, after the date of registration, take all necessary steps as required by the relevant authority to notify the authority of the conversion and of the particulars of the limited liability partnership in such form and manner as the authority may determine.

8. Pending proceedings.—All proceedings by or against the company which are pending before any Court, Tribunal or other authority on the date of registration may be continued, completed and enforced by or against the limited liability partnership.

9. Continuance of conviction, ruling, order or judgment.—Any conviction, ruling, order or judgment of any Court, Tribunal or other authority in favour of or against the company may be enforced by or against the limited liability partnership.

4. Ins. by G.S.R. 386(E), dt. 4-6-2009 (w.e.f. 4-6-2009).

10. Existing agreements.—Every agreement to which the company was a party immediately before the date of registration, whether or not of such nature that the rights and liabilities thereunder could be assigned, shall have effect as from that date as if—

- (a) the limited liability partnership were a party to such an agreement instead of the company; and
- (b) for any reference to the company, there were substituted in respect of anything to be done on or after the date of registration a reference to the limited liability partnership.

11. Existing contracts, etc.—All deeds, contracts, schemes, bonds, agreements, applications, instruments and arrangements subsisting immediately before the date of registration relating to the company or to which the company is a party shall continue in force on and after that date as if they relate to the limited liability partnership and shall be enforceable by or against the limited liability partnership as if the limited liability partnership were named therein or were a party thereto instead of the company.

12. Continuance of employment.—Every contract of employment to which Paragraph 10 or paragraph 11 applies shall continue in force on or after the date of registration as if the limited liability partnership were the employer thereunder instead of the company.

13. Existing appointment, authority or power.—(1) Every appointment of the company in any role or capacity which is in force immediately before the date of registration shall take effect and operate from that date as if the limited liability partnership were appointed.

(2) Any authority or power conferred on the company which is in force immediately before the date of registration shall take effect and operate from that date as if it were conferred on the limited liability partnership.

14. Application of Paragraphs 6 to 13.—The provisions of Paragraphs 6 to 13 (both inclusive) shall apply to any approval, permit or licence issued to the company under any other Act which is in force immediately before the date of registration of the limited liability partnership, subject to the provisions of such other Act under which such approval, permit or licence has been issued.

15. Notice of conversion in correspondence.—(1) The limited liability partnership shall ensure that for a period of twelve months commencing not later than fourteen days after the date of registration, every official correspondence of the limited liability partnership bears the following, namely:—

- (a) a statement that it was, as from the date of registration, converted from a company into a limited liability partnership; and
- (b) the name and registration number of the company from which it was converted.

(2) Any limited liability partnership which contravenes the provisions of sub-paragraph (1) shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees and with a further fine which shall not be less than fifty rupees but which may extend to five hundred rupees for every day after the first day after which the default continues.

THE FOURTH SCHEDULE

(See Section 57)

Conversion from unlisted public company into limited liability partnership

1. Interpretation.—(1) In this Schedule, unless the context otherwise requires,—

- (a) “company” means an unlisted public company;
- (b) “convert”, in relation to a company converting into a limited liability partnership, means a transfer of the property, assets, interests, rights, privileges, liabilities, obligations and the undertaking of the company to the limited liability partnership in accordance with the provisions of this Schedule;
- (c) “listed company” means a listed company as defined in the Securities (sic and) Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 issued by the Securities and Exchange Board of India under Section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (d) “unlisted public company” means a company which is not a listed company.

2. Conversion of company into a limited liability partnership.—(1) A company may convert into a limited liability partnership by complying with the requirements as to the conversion set out in this Schedule.

(2) Upon such conversion, the company, its shareholders, the limited liability partnership into which the company has converted and the partners of that limited liability partnership shall be bound by the provisions of this Schedule that are applicable to them.

3. Eligibility for conversion.—A company may apply to convert into a limited liability partnership in accordance with the provisions of this Schedule if and only if—

- (a) there is no security interest in its assets subsisting or in force at the time of application; and
- (b) the partners of the limited liability partnership to which it converts comprise all the shareholders of the company and no one else.

4. Statements to be filed.—A company may apply to convert into a limited liability partnership by filing with the Registrar—

- (a) a statement by all its shareholders in such form and manner to be accompanied by such fee as the Central Government may prescribe containing the following particulars, namely:—
 - (i) the name and registration number of the company;
 - (ii) the date on which the company was incorporated; and
- (b) incorporation document and statement referred to in Section 11.

5. Registration of conversion.—On receiving the documents referred to in Paragraph 4, the Registrar shall, subject to the provisions of this Act, and the rules made thereunder, register the documents and issue a certificate of registration in such form as the Registrar may determine stating that the limited liability partnership is, on and from the date specified in the certificate, registered under this Act:

Provided that the limited liability partnership shall, within fifteen days of the date of registration, inform the concerned Registrar of Companies with which it was registered under the provisions of the Companies Act, 1956 (1 of 1956) about the conversion and of the particulars of the limited liability partnership in such form and manner as the Central Government may prescribe.

6. Registrar may refuse to register.—(1) Nothing in this Schedule shall be construed as to require the Registrar to register any limited liability partnership if he is not satisfied with the particulars or other information furnished under the provisions of this Act:

Provided that an appeal may be made before the Tribunal in case of refusal of registration by the Registrar:

⁵[Provided further that until the Tribunal is constituted under the Companies Act, 1956, the appeal under this sub-paragraph may be made before the Company Law Board]

(2) The Registrar may, in any particular case, require the documents referred to in paragraph 4 to be verified in such manner, as he considers fit.

7. Effect of registration.—On and from the date of registration specified in the certificate of registration issued under Paragraph 5—

- (a) there shall be a limited liability partnership by the name specified in the certificate of registration registered under this Act;
- (b) all tangible (movable or immovable) and intangible property vested in the company, all assets, interests, rights, privileges, liabilities, obligations relating to the company and the whole of the undertaking of the company shall be transferred to and shall vest in the limited liability partnership without further assurance, act or deed; and
- (c) the company shall be deemed to be dissolved and removed from the records of the Registrar of Companies.

8. Registration in relation to property.—If any property to which clause (b) of Paragraph 7 applies is registered with any authority, the limited liability partnership shall, as soon as practicable, after the date of registration, take all necessary steps as required by the relevant authority to notify the

authority of the conversion and of the particulars of the limited liability partnership in such form and manner as the authority may determine.

9. Pending proceedings.—All proceedings by or against the company which are pending in any Court or Tribunal or before an authority on the date of registration may be continued, completed and enforced by or against the limited liability partnership.

10. Continuance of conviction, ruling, order or judgment.—Any conviction, ruling, order or judgment of any Court, Tribunal or other authority in favour of or against the company may be enforced by or against the limited liability partnership.

11. Existing agreements.—Every agreement to which the company was a party immediately before the date of registration, whether or not of such nature that the rights and liabilities thereunder could be assigned, shall have effect as from that date as if—

- (a) the limited liability partnership were a party to such an agreement instead of the company; and
- (b) for any reference to the company, there were substituted in respect of anything to be done on or after the date of registration a reference to the limited liability partnership.

12. Existing contracts, etc.—All deeds, contracts, schemes, bonds, agreements, applications, instruments and arrangements subsisting immediately before the date of registration relating to the company or to which the company is a party shall continue in force on and after that date as if they relate to the limited liability partnership and shall be enforceable by or against the limited liability partnership as if the limited liability partnership were named therein or were a party thereto instead of the company.

13. Continuance of employment.—Every contract of employment to which Paragraph 11 or Paragraph 12 applies shall continue in force on or after the date of registration as if the limited liability partnership were the employer thereunder instead of the company.

14. Existing appointment, authority or power.—(1) Every appointment of the company in any role or capacity which is in force immediately before the date of registration shall take effect and operate from that date as if the limited liability partnership were appointed.

(2) Any authority or power conferred on the company which is in force immediately before the date of registration shall take effect and operate from that date as if it were conferred on the limited liability partnership.

15. Application of Paragraphs 7 to 14.—The provisions of Paragraphs 7 to 14 (both inclusive) shall apply to any approval, permit or licence issued to the company under any other Act which is in force immediately before the date of registration of the limited liability partnership, subject to the provisions of such other Act under which such approval, permit or licence has been issued.

16. Notice of conversion in correspondence.—(1) The limited liability partnership shall ensure that for a period of twelve months commencing not later than fourteen days after the date of registration, every official correspondence of the limited liability partnership bears the following, namely:—

- (a) a statement that it was, as from the date of registration, converted from a company into a limited liability partnership; and
- (b) the name and registration number of the company from which it was converted.

(2) Any limited liability partnership which contravenes the provisions of sub-paragraph (1) shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees and with a further fine which shall not be less than fifty rupees but which may extend to five hundred rupees for every day after the first day after which the default continues.



NOTIFICATIONS

*Ministry of Corporate Affairs, Noti. No. G.S.R. 6(E), dated January 6, 2010,
published in the Gazette of India, Extra., Part II, Section 3(i), dated
6th January, 2010, pp. 54-84, No. 6 [F. No. 2/2009-CL-V]*

In exercise of the powers conferred by sub-section (1) of Section 67 of Limited Liability Partnership Act, 2008 (6 of 2009) the Central Government hereby directs that the provisions of Sections 441, 443, 445, 446, 448, 450, 451, 453, 454, 455, 456, 457, 458, 458-A, 460, 463, 464, 465, 466, 467, 468, 471, 474, 476, 477, 478, 479, 481, 482, 483, 484, 486, 487, 488, 494, 497, 511, 511-A, 512, 514, 515, 517, 518, 519, 528, 529, 529-A, 530, 531, 531-A, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 558, 559, 560 and 584 of the Companies Act, 1956 shall apply to a limited liability partnership, except where the context otherwise requires, with the following modifications—

(i)(a) For the word “company” occurring in any of the aforesaid provisions of the Companies Act, 1956, the words “limited liability partnership” shall be *substituted*;

(b) for the word “articles” occurring in any of the aforesaid provisions of the Companies Act, 1956, the words “limited liability partnership agreement” shall be *substituted*;

(c) for the word “director” occurring in any of the aforesaid provisions of the Companies Act, 1956 (except in Section 544), the words “designated partner” shall be *substituted*;

(d) for the word “promoter” or “member” or “contributory” occurring in any of the aforesaid provisions of the Companies Act, 1956, the word “partner” shall be *substituted*;

(e) for the word “Court” occurring in any of the aforesaid provisions of the Companies Act, 1956 (except in sub-section (5-A) of Section 454, Section 482 and Section 483), the word “Tribunal” shall be substituted, provided that until the Tribunal is constituted under the Companies Act, 1956, the word “Tribunal” shall be *substituted* with the words “High Court”;

(f) for the words “this Act” occurring in any of the aforesaid provisions of the Companies Act, 1956, the words “Limited Liability Partnership Act” shall be *substituted*.

(ii) modifications set out in the Table.

Explanation.—For the purposes of application of the provisions of the Companies Act, 1956 to limited liability partnerships, it is hereby clarified that—

- (a) where any sub-section of the applicable aforesaid section of the Companies Act, 1956 is not specified in the Table, such sub-section of that section is applicable to the limited liability partnerships without any modification; and
- (b) “LLP Liquidator” means a limited liability partnership liquidator.

TABLE

Modifications to the provisions of the Companies Act, 1956 applied to Limited Liability Partnerships

Sl. No.	Part/Chapter/Section number/marginal note and sub-section(s) in the Companies Act, 1956	Modifications
(1)	(2)	(3)
	Part VII: Winding-up Chapter II: Winding up by the Court	
1.	Section 441 (Commencement of winding up by Court)	
	sub-sections (1) and (2)	In sub-sections (1) and (2),

		<p>(i) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; and</p> <p>(ii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership".</p>
2.	Section 443 (Powers of Court on hearing petition)	
	sub-section (1)	<p><i>Substitute</i> sub-section (1) with the following—</p> <p>"(1) On hearing a winding up petition, the Tribunal may within ninety days from the date of presentation of the petition—</p> <p>(a) dismiss it, with or without costs;</p> <p>(b) make any interim order as it thinks fit;</p> <p>(c) direct the action for revival or rehabilitation of the limited liability partnership in accordance with procedure laid down in Sections 60 to 62 of the Limited Liability Partnership Act, 2008;</p> <p>(d) appoint a "Liquidator" as provisional liquidator of the limited liability partnership till the making of a winding up order;</p> <p>(e) make an order for the winding up of the limited liability partnership with or without costs; or</p> <p>(f) any other orders or orders as may be considered fit:</p> <p>Provided that the Tribunal shall not refuse to make a winding up order on the ground only that the assets of the limited liability partnership have been mortgaged for an amount equal to or in excess of those assets, or that the limited liability partnership has no assets."</p>
	sub-section (2)	<p>In sub-section (2),—</p> <p>(i) for the word "Court", <i>substitute</i> the word "Tribunal"; and</p> <p>(ii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership".</p>
	sub-section (3)	Omit sub-section (3).
3.	Section 445 (Copy of winding up order to be filed with Registrar)	
	sub-section (1)	<p><i>Substitute</i> sub-section (1) with the following—</p> <p>"(1) On the making of a winding up order, it shall be the duty of the petitioner in the winding up proceedings and of the limited liability partnership to file with the Registrar a certified copy of the order, within fifteen days from the date of the making of the order.</p>
		<p>If default is made in complying with the foregoing provision, the petitioner, or as the case may require, the limited liability partnership, and the designated partners of the limited liability partnership shall be punishable with fine which may extend to one thousand rupees for each day during which the default continues."</p>

	sub-section (1-A)	In sub-section (1-A), for the words 'thirty days', <i>substitute</i> the words 'fifteen days'.
	sub-section (2) and (3)	In sub-sections (2) and (3), for the word "company" wherever it occurs, <i>substitute</i> the words "limited liability partnership".
4.	Section 446 (Suits stayed on winding up order)	
	sub-sections (1) to (3)	In sub-sections (1) to (3),— (i) for the word "Court" wherever it occurs, <i>substitute</i> the word "Tribunal"; (ii) for the word "company" wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and (iii) for the words "Official Liquidator", <i>substitute</i> the word "Liquidator".
	sub-section (2)	In sub-section (2),— (i) in clause (c), for the word and figure "Section 391" <i>substitute</i> the word and figure "Section 60"; and (ii) <i>omit</i> the following words and figures occurring at the end— "or before or after the commencement of the Companies (Amendment) Act, 1960 (65 of 1960)".
5.	Section 448 (Appointment of Official Liquidator)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— "(1) For the purposes of winding up of a limited liability partnership by the Tribunal or for the purpose of appointment of provisional liquidator, there shall be a "liquidator" who may be either an Official Liquidator or a Liquidator appointed by an order of the Tribunal from the panel of such professionals, firms or bodies corporates consisting of such professionals as may be prescribed, which the Central Government shall constitute for that purpose in such manner as may be prescribed. In the absence of any such order the Official Liquidator shall become or act as "liquidator"."
	sub-sections (1-A) and (2)	<i>Omit</i> sub-sections (1-A) and (2)
6.	Section 450 (Appointment and powers of provisional liquidator)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— "(1) At any time after the presentation of a winding up petition and before the making of a winding up order, the Tribunal may appoint the Liquidator to be liquidator provisionally."
	sub-section (2)	In sub-section (2),— (i) for the word "Court" wherever it occurs, <i>substitute</i> the word "Tribunal"; and (ii) for the word "company", <i>substitute</i> the words "limited liability partnership"; and

	sub-section (3)	In sub-section (3), for the word "Court" wherever it occurs, <i>substitute</i> the word "Tribunal".
	sub-section (4)	<i>Substitute</i> sub-section (4) with the following— “(4) The Liquidator shall cease to hold office as provisional liquidator, and shall become the liquidator, of the limited liability partnership, on a winding up order being made.”
7.	Section 451 (General provisions as to liquidators)	
	sub-section (1)	In sub-section (1),— (i) for the word "Court", <i>substitute</i> the word "Tribunal"; and (ii) for the word "company", <i>substitute</i> the words "limited liability partnership".
	sub-section (2)	In sub-section (2), for the word "company", <i>substitute</i> the words "limited liability partnership".
8.	Section 453 (Receiver not to be appointed of assets with liquidator).	In section 453, for the word "Court", <i>substitute</i> the word "Tribunal".
9.	Section 454 (Statement of affairs to be made to Official Liquidator)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— “(1)(i) Every limited liability partnership shall file with the Tribunal a statement of its affairs in such form as may be prescribed along with the petition for winding up; (ii) where a limited liability partnership opposes a petition for its winding up, it shall file with the Tribunal a statement of its affairs in such form as may be prescribed within such time as may be specified by the Tribunal; (iii) where the Tribunal has made a winding up order or appointed the Liquidator as provisional liquidator, unless the Tribunal in its discretion otherwise orders, there shall be made out and submitted to the Liquidator a statement as to the affairs of the limited liability partnership in such form and containing such particulars as may be prescribed; (iv) the designated partners and other officers of the limited liability partnership in respect of which a petition for winding up is made, shall ensure that the accounts of the Limited Liability Partnership are completed and audited in accordance with Limited Liability Partnership Rules, 2009 up to the date of the order and submitted to the Tribunal at the cost of the limited liability partnership within 60 days of the date of the winding up order or within such period as may be allowed by the Tribunal.”
	sub-sections (2) and (4)	<i>Omit</i> sub-sections (2) and (4).

	sub-section (3)	<i>Substitute</i> sub-section (3) with the following— “(3) The statement under clause (iii) of sub-section (1) shall be submitted within twenty-one days from relevant date or within such extended time not exceeding two months (including the period of twenty-one days) from the date as the Liquidator or the provisional liquidator or the Tribunal may, for special reasons appoint.”
	sub-section (5-A)	In sub-section (5-A), for the words, “by which the winding up order is made or the provisional liquidator is appointed”, <i>substitute</i> the words “having jurisdiction under this Act”.
	sub-section (6)	In sub-section (6),— (i) for the word “company”, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “contributory”, <i>substitute</i> the word “partner”.
	sub-section (7)	In sub-section (7),— (i) for the word “contributory”, <i>substitute</i> the word “partner”; and (ii) for the words “Official Liquidator”, <i>substitute</i> the word “liquidator”.
10.	Section 455 (Report by Official Liquidator)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— “(1) Where the Tribunal has made a winding up order, the Liquidator shall, within sixty days from the winding up order, submit to the Tribunal, a report containing such particulars as may be prescribed.”
	sub-section (2)	In sub-section (2),— (i) for the words “Official Liquidator”, <i>substitute</i> the word “liquidator”; (ii) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (iii) for the word “Court”, <i>substitute</i> the word “Tribunal”.
	sub-section (3)	In sub-section (3),— (i) for the words “Official Liquidator”, <i>substitute</i> the word “liquidator”; and (ii) for the word “Court”, <i>substitute</i> the word “Tribunal”.
11.	Section 456 (Custody of company's property)	
	sub-sections (1), (1-A) and (2)	In sub-sections (1), (1-A) and (2),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “Court”, occurring in sub-section (2), <i>substitute</i> the word “Tribunal”.

12.	Section 457 (Powers of liquidator)	
	sub-sections (1) and (2)	<p>In sub-sections (1) and (2),—</p> <p>(i) for the word "Court", wherever it occurs, <i>substitute</i> the words "Tribunal";</p> <p>(ii) for the words "company", whenever it occurs, <i>substitute</i> the words "limited liability partnership";</p> <p>(iii) after clause (c) in sub-section (1), <i>insert</i> clause (ca), namely—</p> <p>"(ca) to sell whole of the undertaking of the limited liability partnership as a going concern."</p> <p>(iv) For the word "contributory", wherever it occurs, <i>substitute</i> the word "partner"; and</p> <p>(v) for the word "company's seal", <i>substitute</i> the words "limited liability partnership's seal".</p>
13.	Section 458 (Discretion of liquidator)	In Section 458, for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".
14.	Section 458-A (Exclusion of certain time in computing periods of limitation)	<p>In Section 458-A,—</p> <p>(i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and</p> <p>(ii) for the word "Court", <i>substitute</i> the word "Tribunal".</p>
15.	Section 460 (Exercise and control of liquidator's powers)	
	sub-section (1)	<p>In sub-section (1),—</p> <p>(i) for the word "company", <i>substitute</i> the words "limited liability partnership";</p> <p>(ii) for the word "contributories", <i>substitute</i> the word "partners"; and</p> <p>(iii) for the words "general meeting", <i>substitute</i> the word "meeting".</p>
	sub-section (2)	<p>In sub-section (2),—</p> <p>(i) for the word "contributories", wherever it occurs, <i>substitute</i> the word "partners"; and</p> <p>(ii) for the words "general meeting", <i>substitute</i> the word "meeting".</p>
	sub-section (3)	<p>In sub-section (3),—</p> <p>(i) for the word "contributories", wherever it occurs, <i>substitute</i> the word "partners"; and</p> <p>(ii) for the words "general meetings", <i>substitute</i> the word "meetings".</p>
	sub-section (5)	In sub-section (5), for the word "company", <i>substitute</i> the words "limited liability partnership".
	sub-sections (4) and (6)	In sub-sections (4) and (6), for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".
16.	Section 463 (Control of Central Government over liquidators)	
	sub-section (1)	In sub-section (1),—

		<p>(i) for the word "companies", <i>substitute</i> the words "limited liability partnerships";</p> <p>(ii) for the word "Court", <i>substitute</i> the word "Tribunal";</p> <p>(iii) omit the words "or by the Indian Companies Act, 1913 (7 of 1913)";</p> <p>(iv) for the word "contributory", <i>substitute</i> the word "partner"; and</p> <p>(v) omit proviso to this sub-section.</p>
	sub-section (2)	<p>In sub-section (2),—</p> <p>(i) for the word "company", <i>substitute</i> the words "limited liability partnership"; and</p> <p>(ii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".</p>
17.	Section 464: (Appointment and composition of committee of inspection)	
	sub-section (1)	<p><i>Substitute</i> sub-section (1) with the following—</p> <p>"(1) The Tribunal may, at the time of making an order for the winding up of a limited liability partnership or at any time thereafter, direct that there shall be appointed a committee of inspection to act with the liquidator."</p>
	sub-sections (2) and (3)	<i>Omit</i> sub-sections (2) and (3).
18.	Section 465: (Constitution and proceedings of committee of inspection)	
	sub-section (1)	<p><i>Substitute</i> sub-section (1) with the following—</p> <p>"(1)(i) A committee of inspection appointed in pursuance of Section 464 shall consist of such number of members not exceeding twelve, as the Tribunal may order, being creditors and partners of the limited liability partnership or persons holding general or special powers of attorney from creditors or partners, in such proportions as may be agreed on by the meeting of creditors and partners or in case of difference of opinion between the meetings, as may be determined by the Tribunal.</p> <p>(ii) The procedure to be adopted by the committee shall be as may be prescribed."</p>
	sub-sections (2) to (5)	<i>Omit</i> sub-sections (2) to (5).
	sub-section (7)	In sub-section (7), for the word "contributories", <i>substitute</i> the word "partners".
	sub-section (8)	<p>In sub-section (8),—</p> <p>(i) for the word "contributories", wherever it occurs, <i>substitute</i> the word "partners"; and</p> <p>(ii) for the words "ordinary resolution", <i>substitute</i> the word "resolution".</p>
	sub-section (9)	In sub-section (9),—

		<p>(i) for the word "contributories", <i>substitute</i> the word "partners";</p> <p>(ii) for the word "contributory", <i>substitute</i> the word "partner"; and</p> <p>(iii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".</p>
19.	Section 466 (Powers of Court to stay winding up)	
	sub-sections (1) and (2)	<p>In sub-sections (1) and (2),—</p> <p>(i) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal";</p> <p>(ii) for the word "Official Liquidator", wherever it occurs, <i>substitute</i> the word "liquidator"; and</p> <p>(iii) for the word "contributory", <i>substitute</i> the word "partner".</p>
	sub-section (3)	<p>In sub-section (3), for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership".</p>
20.	Section 467 (Settlement of list of contributories and application of assets)	
	sub-section (1)	<p>In sub-section (1),—</p> <p>(i) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".</p> <p>(ii) for the word "contributories", wherever it occurs, <i>substitute</i> the word "partner".</p> <p>(iii) for the words "with power to rectify the register of members in all cases where rectification is required in pursuance of this Act", <i>substitute</i> the words "in such manner as may be prescribed";</p> <p>(iv) for the word "company", <i>substitute</i> the words "limited liability partnership"; and</p> <p>(v) omit the proviso to this sub-section.</p>
	sub-section (2)	<p><i>Omit</i> sub-section (2).</p>
21.	Section 468 (Delivery of property to liquidator)	<p>In Section 468,—</p> <p>(i) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal";</p> <p>(ii) for the word "contributory", <i>substitute</i> the word "partner";</p> <p>(iii) for the word "contributories", <i>substitute</i> the word "partners"; and</p> <p>(iv) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership";</p>
22.	Section 471 (Payment into bank of moneys due to company)	
	sub-section (1)	<p>In sub-section (1),—</p> <p>(i) for the word "Court", <i>substitute</i> the word "Tribunal";</p>

		(ii) for the word "contributory", <i>substitute</i> the word "partner"; and (iii) for the word "company", <i>substitute</i> the words "limited liability partnership".
	sub-section (2)	In sub-section (2), for the word "Court", <i>substitute</i> the word "Tribunal".
23.	Section 474 (Power to exclude creditors not proving in time)	In Section 474, for the word "Court", <i>substitute</i> the word "Tribunal".
24.	Section 476 (Power to order costs)	In Section 476, for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".
25.	Section 477 (Power to summon persons suspected of having property of company, etc.)	
	sub-sections (1) to (8)	In sub-sections (1) to (8),— (i) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; and (ii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership".
26.	Section 478 (Power to order public examination of promoters, directors etc.)	
	sub-sections (1), (2), (4), (5), (7), (8) and (9)	In sub-sections (1), (2), (4), (5), (7), (8) and (9),— (i) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; (ii) for the word "contributory", wherever it occurs, <i>substitute</i> the word "partner"; (iii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and (iv) for the words "Official Liquidator", wherever they occur, <i>substitute</i> the word "liquidator".
	sub-section (3)	<i>Substitute</i> sub-section (3) with the following— "Any creditor or partner may also take part in the examination either personally or by any chartered accountants or company secretaries or cost accountants or legal practitioners entitled to appear before the Tribunal."
	sub-section (6)	In sub-section (6),— (i) In clause (a), for the words "Official Liquidator's report", <i>substitute</i> the words "liquidator's report; and (ii) <i>omit</i> clause (b)
	sub-section (10)	<i>Substitute</i> sub-section (10) with the following— "(10) An examination under this section may, if the Tribunal so directs, be held before any authority or person authorized by the Tribunal".
	sub-section (11)	In sub-section (11),— (i) for the word "Court", <i>substitute</i> the word "Tribunal"; and

		(ii) for the words "Judge or officer", <i>substitute</i> the words "authority or person".
27.	Section 479 (Power to arrest absconding contributory)	In Section 479,— (i) for the word "contributory", wherever it occurs, <i>substitute</i> the word "partner"; (ii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; and (iii) for the word "company", <i>substitute</i> the words "limited liability partnership".
28.	Section 481 (Dissolution of company)	
	sub-section (1)	In sub-section (1),— (i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and (ii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".
	sub-section (2)	In sub-section (2), for the word "company", <i>substitute</i> the words "limited liability partnership".
29.	Section 482 (Order made in any Court to be enforced by other Courts)	In Section 482, for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership".
30.	Section 483 (Appeals from orders)	In Section 483, for the word "company", <i>substitute</i> the words "limited liability partnership".
	Chapter III Voluntary winding up	
31.	Section 484 (Circumstances in which company may be wound-up voluntarily)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— “(1) Any limited liability partnership may be wound up voluntarily if the limited liability partnership passes a resolution to wind up the limited liability partnership with approval of at least three-fourths of total number of its partners: Provided that if the limited liability partnership has creditors, whether secured or unsecured, then such winding up shall not take place unless approval of such creditors takes place in such manner as may be prescribed.”
	sub-section (2)	<i>Omit</i> sub-section (2).
32.	Section 486 (Commencement of voluntary winding up)	Apply without modification.
33.	Section 487 (Effect of voluntary winding up on status of company)	In section 487, (i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and (ii) for the words "the corporate state and corporate powers of the company", <i>substitute</i> the words, "status of the limited liability partnership and its powers".

34.	Section 488 (Declaration of solvency in case of proposal to wind-up voluntarily)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— “(1) Where it is proposed to wind up a limited liability partnership voluntarily, the majority of its designated partners (being not less than two) shall make a declaration in such form and manner and within such time as may be prescribed to the effect that the limited liability partnership has no debt or that it will be able to pay its debts in full within such period not exceeding one year from the commencement of the winding up as may be specified in the declaration.”
	sub-sections (2) and (5)	<i>Omit</i> sub-sections (2) and (5).
	sub-section (3)	In sub-section (3),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “director”, <i>substitute</i> the words “designated partner”.
	sub-section (4)	In sub-section (4),— (i) for the word “company”, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “director”, <i>substitute</i> the words “designated partner”; and (iii) for the words “of five weeks”, <i>substitute</i> the words “prescribed in sub-section (1)”.
35.	Section 494 (Power of liquidator to accept shares, etc., as consideration for sale of property of company)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— “(1) Where a limited liability partnership (the transferor limited liability partnership) is proposed to be, or is in the course of being, wound up voluntarily and the whole or any part of its business or property is proposed to be transferred or sold to any limited liability partnership (the transferee limited liability partnership), the LLP Liquidator of the transferor limited liability partnership may, with the sanction of a resolution of the transferor limited liability partnership passed by at least three-fourths of total number of partners conferring on LLP liquidator either a general authority or an authority in respect of any particular arrangement,— (a) receive, by way of compensation wholly or in part for the transfer or sale, cash, securities, policies, or other like interests in the transferee limited liability partnership, for distribution among the partners of the transferor limited liability partnership; or (b) enter into any other arrangement whereby the partners of the transferor limited liability partnership may, in lieu of receiving cash, securities, policies or

		other like interest or in addition thereto, participate in the profits of, or receive any other benefit from, the transferee limited liability partnership: Provided that no such arrangement shall be entered into without the consent of the secured creditors, if any."
	sub-section (2)	<i>Substitute</i> sub-section (2) with the following— “(2) Any transfer, sale or other arrangement in pursuance of this section shall be binding on all the partners of the transferor limited liability partnership”.
	sub-section (3)	<i>Substitute</i> sub-section (3) with the following— “(3) Any partner of the transferor limited liability partnership who did not vote in favour of the resolution and expressed his dissent therefrom in writing addressed to the LLP Liquidator and left at the registered office of the limited liability partnership within seven days after the passing of the resolution, may require the LLP Liquidator to purchase his interest at a price to be determined by agreement or the registered valuer.”
	sub-section (4)	<i>Substitute</i> sub-section (4) with the following— “(4) If the LLP Liquidator decides to purchase such partner's interest, the purchase money, raised by him in such manner as may be determined by a resolution passed by three-fourths of total number of partners, shall be paid before the limited liability partnership is dissolved.”
	sub-sections (5) and (6)	<i>Omit</i> sub-sections (5) and (6).
36.	Section 497 (Final meeting and dissolution)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following, namely— “(1) As soon as the affairs of a limited liability partnership are fully wound up, the LLP Liquidator shall prepare final winding up accounts, explanations and a report on the conduct of affairs of the limited liability partnership during winding up in such form and manner as may be prescribed, showing how the property and assets of the limited liability partnership have been disposed of and its debt fully discharged or discharged to the satisfaction of the creditors and thereafter seek approval of the partners or the creditors of the limited liability partnership, as the case may be, on the said report and the final winding up accounts and explanation in the meeting of partners or creditors: Provided that no such meeting of creditors is required if there were no creditors before commencement of voluntary winding up or creditors are paid their dues in such manner as may be prescribed.”
	sub-sections (2), (4), (5), (6-A), (6-B) and (7).	<i>Omit</i> sub-sections (2), (4), (5), (6-A), (6-B) and (7).
	sub-section (3)	<i>Substitute</i> sub-section (3) with the following—

		“(3) Within two weeks after the meeting of partners and of creditors, if required, the LLP liquidator shall— (a) send to the Registrar a copy of the final winding up accounts, explanation and report; and (b) file an application with the Tribunal along with a copy of the final winding up accounts, explanations and report, for passing an order of dissolution of the limited liability partnership.
		If the copy is not so sent or application not so made, the LLP Liquidator shall be punishable with fine which may extend to five hundred rupees for every day during which the default continues.”
	sub-section (6)	<i>Substitute</i> sub-section (6) with the following, namely— “(6) If the Tribunal is satisfied, after considering the application, final winding up accounts, explanations and report of the LLP Liquidator, that the process of winding up has been duly followed, the Tribunal may pass an order, within sixty days of the receipt of such application, accounts, explanations and report, that the limited liability partnership shall stand dissolved.”
37.	Section 511 (Distribution of property of company)	In Section 511,— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “articles” <i>substitute</i> the words “limited liability partnership agreement.”; and (iii) for the word “members”, <i>substitute</i> the word “partners”.
38.	Section 511-A (Application of Section 454 to voluntary winding up)	In Section 511-A,— (i) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”; and (ii) <i>omit</i> the word “Official” occurring in clause (b).
39.	Section 512 (Powers and duties of liquidator in voluntary winding up)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— “(1) The LLP Liquidator may, with the sanction of a resolution by three-fourths of total number of partners of the limited liability partnership, and prior approval of the Tribunal in the case of a voluntary winding up,— (i) pay any class of creditors in full; (ii) make any compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging themselves to have any claim, present or future, certain or contingent, against the limited liability partnership, or whereby the limited liability partnership may be rendered liable; or (iii) compromise any money due from partners including outstanding, unrealized or unrecovered contribution, debt and liability capable of resulting in a debt, and any claim, present or future, certain or contingent, ascertained or sounding only in damages,

		subsisting or alleged to subsist between the limited liability partnership and a partner or alleged partner or other debtor or person apprehending liability to the limited liability partnership, and all questions in any way relating to or affecting the assets or liabilities or the winding up of the limited liability partnership, on such terms as may be agreed, and take any security for the discharge of any such debt, liability or claim, and give a complete discharge in respect thereof."
	sub-section (2)	<i>Substitute</i> sub-section (2) with the following— “(2) Any creditor or partner may apply in the manner prescribed to the Tribunal with respect to any exercise or proposed exercise of powers by the LLP Liquidator under this sub-section, and the Tribunal shall after giving a reasonable opportunity to such applicant and the LLP Liquidator, pass such orders as it may think fit.”
	sub-section (3)	In sub-section (3),— (i) for the word “liquidator”, <i>substitute</i> the words “LLP liquidator”; (ii) for the word “company”, <i>substitute</i> the words “limited liability partnership”; and (iii) for the word “contributories”, <i>substitute</i> the word “partners”.
	sub-section (4)	In sub-section (4), for the word “liquidator”, <i>substitute</i> the words “LLP liquidators.”
40.	Section 514 (Corrupt inducement affecting appointment as liquidator)	In Section 514,— (i) for the word “member”, <i>substitute</i> the word “partner”; (ii) for the word “company”, <i>substitute</i> the words “limited liability partnership”; and (iii) for the words “company’s liquidator”, wherever they occur, <i>substitute</i> the word “limited liability partnership’s LLP liquidator”.
41.	Section 515 (Power of Court to appoint and remove Liquidator in voluntary winding up)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following, namely— “(1) If from any cause whatever, there is no LLP liquidator acting, the Tribunal may appoint any person from the panel as a LLP liquidator on such fees as may be determined by it.”
	sub-section (2)	<i>Substitute</i> sub-section (2) with the following— “(2) The Tribunal may, on cause shown remove a LLP liquidator and appoint any other person from the panel, as a LLP liquidator in place of the removed LLP liquidator.”
	sub-section (3)	<i>Substitute</i> sub-section (3) with the following— “(3) The Tribunal may also appoint or remove a LLP liquidator on the application made by the Registrar in this behalf.”

	sub-section (4)	<i>Omit sub-section (4).</i>
42.	Section 517 (Arrangement when binding on company and creditors.)	
	sub-section (1)	In sub-section (1),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the words “special resolution”, <i>substitute</i> the words “resolution passed by three-fourth of total number of partners”.
	sub-section (2)	In sub-section (2),— (i) for the word “contributory”, <i>substitute</i> the word “partner”; and (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”.
43.	Section 518 (Power to apply to Court to have questions determined or powers exercised)	
	sub-section (1)	In sub-section (1),— (i) for the word “liquidator”, <i>substitute</i> the words “LLP liquidator”; (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”; (iii) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (iv) for the word “contributory”, <i>substitute</i> the word “partner”; and (v) for the words “the enforcing of calls”, <i>substitute</i> the words “enforcing realization of outstanding contribution”.
	sub-section (2)	In sub-section (2),— (i) for the word “liquidator”, <i>substitute</i> the words “LLP liquidator”; (ii) for the word “Court”, <i>substitute</i> the word “Tribunal”; (iii) for the word “company”, <i>substitute</i> the words “limited liability partnership”; (iv) for the word “contributory”, <i>substitute</i> the word “partner”; and (v) <i>omit</i> the words “specified in sub-section (3)”.
	sub-section (3)	<i>Omit sub-section (3).</i>
	sub-section (4)	In sub-section (4), for the word “Court”, <i>substitute</i> the word “Tribunal”.
	sub-section (5)	In sub-section (5), for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”.

44.	Section 519 (Application of liquidator to Court for public examination of promoters, directors, etc.)	
	sub-section (1)	In sub-section (1),— (i) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”; (ii) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (iii) for the word “liquidator”, <i>substitute</i> the words “LLP Liquidator”.
	sub-section (2)	<i>Substitute</i> sub-section (2) with the following— “(2) The provisions of Section 478 as applicable to winding up of limited liability partnerships by Tribunal shall apply in relation to any examination directed under sub-section (1).”
	Chapter V: Provisions applicable to every mode of winding up	
45.	Section 528 (Debts of all descriptions to be admitted to proof)	In Section 528,— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the words “insolvent companies”, <i>substitute</i> the words “insolvent limited liability partnerships”.
46.	Section 529 (Application of insolvency rules in winding up of insolvent companies.)	
	sub-sections (1), (2) and (3) and Illustration	In sub-sections (1), (2) and (3) and Illustration,— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “liquidator”, wherever it occurs, <i>substitute</i> the words “liquidator or LLP liquidator”.
47.	Section 529-A (Overriding preferential payments)	
	sub-section (1)	In sub-section (1), for the word “company”, <i>substitute</i> the words “limited liability partnership”.
48.	Section 530 (Preferential payments)	
	sub-sections (1), (4), (5), (7) and (8)	In sub-sections (1), (4), (5), (7) and (8),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) in sub-section (1), in clause (g), for the words and figures “Section 235 or 237”, <i>substitute</i> the words and figure “Section 43”.
	sub-section (9)	<i>Omit</i> sub-section (9)
49.	Section 531 (Fraudulent preference)	
	sub-section (1)	In sub-section (1),—

		(i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and (ii) omit the proviso to this sub-section.
	sub-section (2)	In sub-section (2), for the word "Court", <i>substitute</i> the word "Tribunal".
50.	Section 531-A (Avoidance of voluntary transfer)	In Section 531-A,— (i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; (ii) for the word "Court", <i>substitute</i> the word "Tribunal"; and (iii) for the word "liquidator", <i>substitute</i> the words "liquidator or LLP liquidator".
51.	Section 532 (Transfers for benefit of all creditors to be void)	In Section 532, for the word "company", <i>substitute</i> the words "limited liability partnership".
52.	Section 533 (Liabilities and rights of certain fraudulently preferred persons)	
	sub-sections (1) and (2)	In sub-sections (1) and (2),— (i) <i>omit</i> the words "after the commencement of this Act"; (ii) for the word "company", <i>substitute</i> the words "limited liability partnership"; and (iii) for the words "company's debt", <i>substitute</i> the words "limited liability partnership's debt".
	sub-section (3)	In sub-section (3), for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".
53.	Section 534 (Effect of floating charge)	In Section 534,— (i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and (ii) <i>omit</i> the proviso to this section.
54.	Section 535 (Disclaimer of onerous property in case of a company which is being wound-up)	
	sub-sections (1) to (7)	In sub-sections (1) to (7),— (i) for the word "company" wherever it occurs, <i>substitute</i> the words "limited liability partnership"; (ii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; and (iii) for the word "liquidator", wherever it occurs, <i>substitute</i> the words "liquidator or LLP liquidator".
55.	Section 536 (Avoidance of transfers, etc., after commencement of winding up)	
	sub-section (1)	In sub-section (1),— (i) for the word "shares", <i>substitute</i> the word "contribution";

		<p>(ii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership";</p> <p>(iii) for the word "members", <i>substitute</i> the word "partners"; and</p> <p>(iv) for the word "liquidator", <i>substitute</i> the words "LLP liquidator".</p>
	sub-section (2)	<p>In sub-section (2),—</p> <p>(i) for the words "or subject to the supervision of the Court", <i>substitute</i> the words "the Court".</p> <p>(ii) for the word "Court", <i>substitute</i> the word "Tribunal";</p> <p>(iii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership";</p> <p>(iv) for the word "shares", <i>substitute</i> the word "contribution"; and</p> <p>(v) for the word "members", <i>substitute</i> the word "partners".</p>
56.	Section 537 (Avoidance of certain attachments, executions, etc, in winding up by or subject to supervision of Court.)	
	sub-section (1)	<p>In sub-section (1),—</p> <p>(i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership";</p> <p>(ii) <i>omit</i> the words "or subject to the supervision of";</p> <p>(iii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".</p>
57.	Section 538 (Offences by officers of companies in liquidation)	
	sub-section (1)	<p>In sub-section (1),—</p> <p>(i) for the word "company" wherever it occurs, <i>substitute</i> the words "limited liability partnership";</p> <p>(ii) <i>omit</i> the words "or subject to supervision of";</p> <p>(iii) for the word "Court", <i>substitute</i> the word "Tribunal"; and</p> <p>(iv) for the word "liquidator", <i>substitute</i> the words "liquidator or LLP liquidator".</p>
	sub-section (3)	<p>In sub-section (3),—</p> <p>(i) for the word "directors", <i>substitute</i> the words "designated partners"; and</p> <p>(ii) for the word "company", <i>substitute</i> the words "limited liability partnership".</p>
58.	Section 539 (Penalty for falsification of books)	<p>In Section 539,—</p> <p>(i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and</p> <p>(ii) for the word "contributory", <i>substitute</i> the word "partner".</p>

59.	Section 540 (Penalty for frauds by officers),—	In Section 540,— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “Court”, <i>substitute</i> the word “Tribunal”.
60.	Section 541 (Liability where proper accounts not kept)	
	sub-sections (1) and (2)	In sub-sections (1) and (2), for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”.
61.	Section 542 (Liability for fraudulent conduct of business)	
	sub-section (1)	In sub-section (1),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the words “Tribunal”; (iii) for the word “contributory”, <i>substitute</i> the word “partner”; and (iv) for the words “the Official Liquidator or the liquidator”, <i>substitute</i> the words “the liquidator or the LLP liquidator”.
	sub-section (2)	In sub-section (2),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”.
	sub-section (3)	In sub-section (3), for the word “company”, <i>substitute</i> the words “limited liability partnership”.
62.	Section 543 (Power of Court to assess damages against delinquent directors, etc.)	
	sub-section (1)	In sub-section (1),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”; (iii) for the words “director, manager”, wherever they occur, <i>substitute</i> the words “designated partner”; (iv) for the word “contributory”, <i>substitute</i> the word “partner”; (v) for the words “liquidator or officer”, wherever they occur, <i>substitute</i> the words, “Liquidator, LLP liquidator or officer”; and (vi) for the words “the Official Liquidator, or the liquidator”, occurring in clause (b), <i>substitute</i> the words “the liquidator, or the LLP liquidator”.
	sub-section (2)	In sub-section (2), for the words “five years”, <i>substitute</i> the words “one year”.

63.	Section 544 (Liability under Sections 542 and 543 to extend to partners or directors in firm or company)	In Section 544,— (i) for the word “Court”, <i>substitute</i> the word “Tribunal”; (ii) for the words “a firm or body corporate”, <i>substitute</i> the words “a firm, limited liability partnership or body corporate”; and (iii) for the words “a director of that body corporate”, <i>substitute</i> the words “a designated partner of that limited liability partnership or a director of that body corporate”.
64.	Section 545 (Prosecution of delinquent officers and members of the company)	
	sub-section (1)	In sub-section (1),— (i) for the word “company” wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”; and (iii) for the word “member”, <i>substitute</i> the word “partner”.
	sub-section (2)	In sub-section (2),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “member”, <i>substitute</i> the word “partner”; and (iii) for the word “liquidator”, wherever it occurs, <i>substitute</i> the words “LLP liquidator”.
	sub-section (3)	In sub-section (3),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”.
	sub-section (4)	In sub-section (4),— (i) for the word “Court”, <i>substitute</i> the word “Tribunal”; and (ii) for the word “liquidator”, wherever it occurs, <i>substitute</i> the words “LLP liquidator”.
	sub-section (5)	In sub-section (5),— (i) for the word “company”, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “Court”, wherever it occurs, <i>substitute</i> the word “Tribunal”; (iii) for the word “member”, <i>substitute</i> the word “partner”; and (iv) for the word “liquidator”, <i>substitute</i> the words “LLP liquidator”.
	sub-section (7)	In sub-section (7),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and

		(ii) for the word "liquidator", wherever it occurs, <i>substitute</i> the words "liquidator or LLP liquidator".
	sub-section (8)	In sub-section (8), for the word "Court", <i>substitute</i> the word "Tribunal".
	sub-section (9)	In sub-section (9),— (i) for the word "company", <i>substitute</i> the words "limited liability partnership"; (ii) for the word "Court", <i>substitute</i> the word "Tribunal"; and (iii) for the word "liquidator", wherever it occurs, <i>substitute</i> the words "liquidator or LLP liquidator".
65.	Section 546 (Liquidator to exercise certain powers subject to sanction)	
	sub-section (1)	In sub-section (1),— (i) for the word "liquidator", <i>substitute</i> the words "liquidator or LLP liquidator, in the case of voluntary winding up"; (ii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; (iii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; (iv) for the words "special resolution", <i>substitute</i> the words "resolution passed by three-fourths of total number of partners"; (v) in sub-clause (iii) of clause (b),— (a) for the words "call or liability to call", <i>substitute</i> the words "obligation to contribute or liability against such obligation"; and (b) for the words "any such call", <i>substitute</i> the words "any such obligation"; and (vi) for the word "contributory", wherever it occurs, <i>substitute</i> the word "partner".
	sub-section (1-A)	In sub-section (1-A),— (i) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; and (ii) for the words "the Supreme Court may make rules under Section 643", <i>substitute</i> the words "the Central Government may make rules".
	sub-section (2)	In sub-section (2),— (i) for the word "Court", <i>substitute</i> the word "Tribunal"; and (ii) for the word "liquidator", <i>substitute</i> the words, "LLP liquidator".
	sub-section (3)	In sub-section (3),— (i) for the word "Court", <i>substitute</i> the word "Tribunal", and (ii) for the word "contributory", <i>substitute</i> the word "partner".

66.	Section 547 (Notification that a company is in liquidation)	
	sub-section (1)	In sub-section (1),— (i) for the word “company” wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “Court”, <i>substitute</i> the word “Tribunal”; and (iii) for the word “liquidator”, <i>substitute</i> the words, “liquidator or LLP liquidator”.
	sub-section (2)	In sub-section (2),— (i) for the word “company” wherever it occurs, <i>substitute</i> the words “limited liability partnership”; and (ii) for the word “liquidator”, <i>substitute</i> the words, “liquidator or LLP liquidator”.
67.	Section 548 (Books and papers of company to be evidence)	In Section 548,— (i) for the word “company” wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “contributories”, <i>substitute</i> the word “partners”; and (iii) for the word “liquidators”, <i>substitute</i> the words, “liquidators or LLP liquidators”.
68.	Section 549 (Inspection of books and papers by creditors and contributories)	
	sub-section (1)	In sub-section (1),— (i) for the word “company” wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “Court”, <i>substitute</i> the word “Tribunal”; (iii) for the words “Supreme Court”, <i>substitute</i> the words “Central Government”; and (iv) for the word “contributory”, <i>substitute</i> the word “partner”.
69.	Section 550 (Disposal of books and papers of company)	
	sub-section (1)	In sub-section (1),— (i) for the word “company”, wherever it occurs, <i>substitute</i> the words “limited liability partnership”; (ii) for the word “liquidator”, <i>substitute</i> the words “liquidator or LLP liquidator”; (iii) in clause (a), <i>omit</i> the words “or subject to the supervision of”; and (iv) for clauses (b) and (c), <i>substitute</i> the following as clause (b)— “(b) in the case of voluntary winding up, in such manner as the limited liability partnership approves by three-fourths of total number of partners with the prior approval of the secured creditors, if any.”
	sub-section (2)	In sub-section (2),—

		(i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; and (ii) for the word "liquidator", <i>substitute</i> the words "liquidator of LLP liquidator".
	sub-section (3)	In sub-section (3),— (i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; (ii) for the word "Court", <i>substitute</i> the word "Tribunal"; (iii) for the word "contributory", <i>substitute</i> the word "partner"; and (iv) for the word "liquidator", <i>substitute</i> the words "liquidator or LLP liquidator".
70.	Section 551 (Information as to pending liquidations)	
	sub-section (1)	<i>Substitute</i> sub-section (1) with the following— “(1)(i) The LLP liquidator in the case of voluntary winding up, and the liquidator, in the case of winding up by Tribunal, shall prepare, every year, a statement of accounts as on 31st March in such form and manner containing such particulars with respect to proceedings in, and position of, the liquidation, as may be prescribed within two months from 31st March, and file after being audited: (a) in case of winding up by the Tribunal, in the Tribunal; and (b) in case of voluntary winding up, with the Registrar within such time as may be prescribed: Provided that where the LLP liquidator or liquidator has not, during the period of account, received or paid any sum of money on account of the assets of the limited liability partnership, he shall file an affidavit of no receipt or payment for the period. (ii) The accounts shall be audited by a person qualified to act as auditor of the limited liability partnership and for the purpose of the audit, the LLP liquidator or liquidator shall furnish the auditor such information as the auditor may require: Provided that no such audit is required where the transaction during the period is for Rs 50,000 or less. (iii) Where the audit of the accounts is not required under this section, the statements of accounts shall contain a declaration by the LLP liquidator or liquidator that the books and accounts are properly maintained and funds have been utilized only for the purpose of winding up of the affairs of the limited liability partnership. <i>Explanation;</i> —“Year” in relation to the statement means period from first day of April of the year to the 31st day of March following year.
	sub-section (2)	In sub-section (2),—

		(i) for the word "company", <i>substitute</i> the words "limited liability partnership"; and (ii) for the word "Court", <i>substitute</i> the word "Tribunal".
	sub-section (2-A)	<i>Omit</i> sub-section (2-A).
	sub-section (3)	In sub-section (3),— (i) for the word "company", <i>substitute</i> the words "limited liability partnership"; and (ii) for the word "contributory", <i>substitute</i> the word "partner".
	sub-section (4)	In sub-section (4),— (i) for the word "contributory", <i>substitute</i> the word "partner"; and (ii) for the word "liquidator", <i>substitute</i> the word "liquidator or LLP liquidator"
	sub-section (5)	In sub-section (5),— (i) for the word "liquidator", wherever it occurs, <i>substitute</i> the words "LLP liquidator or liquidator"; and (ii) for the word "company", <i>substitute</i> the words "limited liability partnership".
71.	Section 552 (Official Liquidator to make payments into public account of India)	In Section 552,— (i) <i>omit</i> the word "Official"; (ii) for the word "company", <i>substitute</i> the words "limited liability partnership"; and (iii) <i>omit</i> the words "in the Reserve Bank of India".
72.	Section 553 (Voluntary liquidator to make payments into Scheduled Bank)	
	sub-sections (1) and (2)	<i>Substitute</i> sub-sections (1) and (2) with the following— '(1) Every LLP liquidator shall pay, in such manner as may be prescribed, the monies received by him in his capacity as such in a Scheduled Bank to the credit of a special bank account opened by him in that behalf and called— "the Liquidation Account of _____ LLP": Provided that if the Tribunal is satisfied that for the purpose of carrying on the business of the limited liability partnership or of obtaining advances or for any other reason, it is to the advantage of the creditors or partners that the LLP liquidator should have an account with any other bank, the Tribunal may authorise the LLP liquidator to make his payments into or out of such other bank as the Tribunal may select; and thereupon those payments shall be made in the prescribed manner and at the prescribed times into or out of such other bank. (2) If any LLP Liquidator at any time retains for more than ten days a sum exceeding fifty thousand rupees or such other amount as the Tribunal may, on the application of the LLP Liquidator, authorize him to

		<p>retain, then, unless he explains the retention to the satisfaction of the Tribunal, he shall—</p> <p>(a) pay interest on the amount so retained in excess, at the rate of twelve per cent per annum and also pay such penalty as may be determined by the Tribunal;</p> <p>(b) be liable to pay any expenses occasioned by reason of his default; and</p> <p>(c) also be liable to have all or such part of his remuneration, as the Tribunal may consider just, disallowed, or may also be removed from his office by the Tribunal.'</p>
73.	Section 554 (liquidator not to pay moneys into private banking account)	In Section 554, for the words "Neither Official Liquidator nor any other liquidator of a company", <i>substitute</i> the words "Neither the liquidator nor LLP Liquidator of a limited liability partnership".
74.	Section 555 (Unpaid dividends and undistributed assets to be paid into the Companies Liquidation Account)	
	sub-section (1)	<p><i>Substitute</i> sub-section (1) with the following—</p> <p>'(1) If the Liquidator or LLP Liquidator has in its hands or under his control any money representing—</p> <p>(a) any money representing dividend payable to any creditor or creditors, he shall transfer, within five days of such money being due, in a separate special bank account known as the "Dividend Account of M/s _____ LLP (in liquidation)".</p> <p>(b) any money representing assets refundable to any partner or partners, he shall transfer, within five days of such money being due, in a separate special bank account known as the "Distributable Asset Account of M/s _____ LLP (in liquidation)".</p> <p>(2) If the amounts which have been transferred to the "Dividend Account of M/s _____ LLP (in liquidation)" or "Distributable Asset Account of M/s _____ LLP (in liquidation)" but have not been paid or claimed within six months from the date of transfer of such amount, the Liquidator LLP Liquidator shall, within seven days from the date of expiry of the said period of six months, transfer the said amount into the Public Account of India in a separate account to be known as the "LLP Liquidation Account" '.</p>
	sub-section (2)	<p>In sub-section (2),—</p> <p>(i) for the word "company", <i>substitute</i> the words "limited liability partnership"; and</p> <p>(ii) for the word "Court", <i>substitute</i> the word "Tribunal".</p>
	sub-section (3)	In sub-section (3), for the word "liquidator", <i>substitute</i> the words "LLP liquidator or liquidator".
	sub-section (4)	In sub-section (4),—

		(i) for the word "liquidator", wherever it occurs, <i>substitute</i> the words "LLP liquidator or liquidator"; and (ii) for the words "Reserve Bank of India", <i>substitute</i> the words "Scheduled Bank".
	sub-section (5)	In sub-section (5),— (i) for the word "company", <i>substitute</i> the words "limited liability partnership"; and (ii) for the word "Court", <i>substitute</i> the word "Tribunal".
	sub-section (6)	In sub-section (6),— (i) for the word "company", <i>substitute</i> the words "limited liability partnership"; (ii) for the word "Court", <i>substitute</i> the word "Tribunal"; (iii) for the word "liquidator", <i>substitute</i> the words "LLP liquidator or liquidator"; (iv) for the words "Reserve Bank of India", <i>substitute</i> the words "Scheduled Bank"; and (v) for the words "Companies Liquidation Account", <i>substitute</i> the words "LLP Liquidation Account".
	sub-section (7)	In sub-section (7),— (i) in clause (a),— (A) for the words "Companies Liquidation Account", <i>substitute</i> the words "LLP Liquidation Account"; (B) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; and (C) <i>omit</i> the words and bracket "(whether paid in pursuance of this section or under the provisions of any previous companies law); and (ii) <i>omit</i> clause (b).
	sub-section (8)	In sub-section (8),— (i) for the words "Companies Liquidation Account", <i>substitute</i> the words "LLP Liquidation Account"; and (ii) for the words "fifteen years", <i>substitute</i> the words "seven years".
	sub-section (9)	In sub-section (9),— (i) for the word "liquidator", <i>substitute</i> the words "LLP liquidator the liquidator"; (ii) for the words "Companies Liquidation Account", <i>substitute</i> the words "LLP Liquidation Account"; and (iii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal".
75.	Section 556 (Enforcement of duty of liquidator to make returns, etc)	
	sub-section (1)	In sub-section (1),— (i) for the word "company", <i>substitute</i> the words "limited liability partnership";

		(ii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; (iii) for the word "liquidator", wherever it occurs, <i>substitute</i> the words "liquidator or LLP liquidator"; and (iv) for the word "contributory", <i>substitute</i> the word "partner".
	sub-sections (2) and (3)	In sub-sections (2) and (3), for the word "liquidator", wherever it occurs, <i>substitute</i> the words "liquidator or LLP liquidator".
76.	Section 558 (Court or person before whom affidavit may be sworn)	
	sub-section (1)	In sub-section (1), in clause (a), after the words, "before any Court", <i>insert</i> the words "or the Tribunal";
	sub-section (2)	In sub-section (2),— (i) after the words, "All Courts", <i>insert</i> the word "Tribunals"; and (ii) after the words "any such Court", <i>insert</i> the word "Tribunal".
77.	Section 559 (Power of Court to declare dissolution of company void)	
	sub-section (1)	In sub-section (1),— (i) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; (ii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; (iii) for the word and figure "Section 394", <i>substitute</i> the word and figure "Section 62"; and (iv) for the word "liquidator", <i>substitute</i> the words "liquidator or LLP liquidator".
	sub-section (2)	In sub-section (2), for the word "Court", <i>substitute</i> the word "Tribunal"
78.	Section 560 (Power of Registrar to strike defunct company off register)	
	sub-sections (1) to (5)	<i>Omit</i> sub-sections (1) to (5).
	sub-section (6)	In sub-section (6),— (i) after the words "struck off the register", <i>insert</i> the words "under section 75"; (ii) for the word "company", wherever it occurs, <i>substitute</i> the words "limited liability partnership"; (iii) for the word "Court", wherever it occurs, <i>substitute</i> the word "Tribunal"; (iv) for the word "member", wherever it occurs, <i>substitute</i> the word "partner"; (v) for the words "twenty years", <i>substitute</i> the words "five years"; and

		(vi) for the words "notice aforesaid", <i>substitute</i> the words "notice striking off the name of the limited liability partnership from the register".
	sub-section (7)	In sub-section (7), for the word "company", <i>substitute</i> the words "limited liability partnership".
	sub-sections (8) and (9)	<i>Omit</i> sub-sections (8) and (9).
	Part X: Winding up of Unregistered companies	
79.	Section 584 (Power to wind up foreign companies, although dissolved)	<p><i>Substitute</i> Section 584 with the following—</p> <p>"584. Where a limited liability partnership registered or incorporated outside India, which has been carrying on business in India,—</p> <p>(a) ceases to carry on business in India;</p> <p>(b) is dissolved or is carrying on business only for the purpose of winding up its affairs;</p> <p>(c) is unable to pay its debts; or</p> <p>(d) the Tribunal is of the opinion that it is just and equitable that the foreign limited liability partnership should be wound up,</p> <p>it may be wound up as a limited liability partnership registered under this Act, notwithstanding that the limited liability partnership registered or incorporated outside India has been dissolved or otherwise ceased to exist as such under or by virtue of the laws of the country under which it was registered or incorporated."</p>

*Ministry of Corporate Affairs, Noti. No. G.S.R. 333(E), dated April 29, 2015,
published in the Gazette of India, Extra., Part II, Section 3(i),
dated 29th April, 2015, p. 1, No. 272*

In exercise of the powers conferred by sub-section (1) of Section 67 of the Limited Liability Partnership Act, 2008 (6 of 2009), the Central Government hereby directs that the provisions of Section 458 of the Companies Act, 2013 (18 of 2013), [except proviso to sub-section (1)] shall apply to a limited liability partnership from the date of publication of this notification in the Official Gazette.

*Ministry of Corporate Affairs, Noti. No. G.S.R. 59(E), dated January 30, 2020
published in the Gazette of India, Extra., Part II, Section 3(i),
dated 30th January, 2020, p. 1, No. 56*

In exercise of the powers conferred by sub-section (1) of Section 67 of the **Limited Liability Partnership Act, 2008** (6 of 2009), the Central Government hereby directs that the provisions of Section 460 of the Companies Act, 2013 (18 of 2013) shall apply to a limited liability partnership from the date of publication of this notification in the Official Gazette.



भारत का राजपत्र The Gazette of India

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असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 13th August, 2021/ Sravana 22, 1943 (Saka)

The following Act of Parliament received the assent of the President on the 13th August, 2021, and is hereby published for general information:—

THE LIMITED LIABILITY PARTNERSHIP (AMENDMENT) ACT, 2021

No. 31 OF 2021

[13th August, 2021.]

An Act to amend the Limited Liability Partnership Act, 2008.

BE it enacted by Parliament in the Seventy-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Limited Liability Partnership (Amendment) Act, 2021.

Short title and
commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

6 of 2009.
1 of 1956.
18 of 2013.

2. Throughout the Limited Liability Partnership Act, 2008 (hereinafter referred to as the principal Act), for the words and figures “the Companies Act, 1956” wherever they occur, the words and figures “the Companies Act, 2013” shall be substituted.

Substitution of
reference of
certain expressions
by certain other
expressions.

Amendment
of section 2.

3. In section 2 of the principal Act, in sub-section (I),—

(a) in clause (c), for the words, brackets, figures and letters “sub-section (I) of section 10FR”, the word and figures “section 410” shall be substituted;

(b) in clause (d), for the word and figure “section 3”, occurring at both the places, the words, brackets and figures “clause (20) of section 2” shall be substituted;

(c) in clause (e), for the words “and occupation”, the words “and occupation except any activity which the Central Government may, by notification, exclude” shall be substituted;

(d) after clause (r), the following clause shall be inserted, namely:—

‘(ra) “Regional Director” means a person appointed as such by the Central Government for the purposes of this Act or the Companies Act, 2013, as the case may be;’; 18 of 2013.

(e) for clause (s), the following clause shall be substituted, namely:—

‘(s) “Registrar” means a person appointed by the Central Government as Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, for the purposes of this Act or the Companies Act, 2013, as the case may be;’; 18 of 2013.

(f) after clause (t), the following clause shall be inserted, namely:—

‘(ta) “small limited liability partnership” means a limited liability partnership—

(i) the contribution of which, does not exceed twenty-five lakh rupees or such higher amount, not exceeding five crore rupees, as may be prescribed; and

(ii) the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed forty lakh rupees or such higher amount, not exceeding fifty crore rupees, as may be prescribed; or

(iii) which meets such other requirements as may be prescribed,

and fulfils such terms and conditions as may be prescribed;’;

(g) in clause (u), for the words, brackets, figures and letters “sub-section (I) of section 10FB”, the word and figures “section 408” shall be substituted.

Amendment
of section 7.

4. In section 7 of the principal Act,—

(a) in sub-section (I), in the *Explanation*, for the words “eighty-two days during the immediately preceding one year”, the words “twenty days during the financial year” shall be substituted;

(b) in sub-section (6), for the words, figures and letters “sections 266A to 266G”, the words and figures “sections 153 to 159” shall be substituted.

Amendment
of section 10.

5. In section 10 of the principal Act,—

(a) in the marginal heading, the figure “8” shall be omitted;

(b) in sub-section (1), for the words “punishable with fine which shall not be less than ten thousand rupees, but which may extend to five lakh rupees”, the following shall be substituted, namely:—

“liable to a penalty of ten thousand rupees and in case of continuing contravention, with a further penalty of one hundred rupees for each day after the first during which such contravention continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for every partner of such limited liability partnership.”;

(c) for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) If the limited liability partnership contravenes the provision of sub-section (4) of section 7, such limited liability partnership and its every designated partner shall be liable to a penalty of five thousand rupees and in case of continuing contravention, with a further penalty of one hundred rupees for each day after the first during which such contravention continues, subject to a maximum of fifty thousand rupees for the limited liability partnership and twenty-five thousand rupees for its every designated partner.

(3) If the limited liability partnership contravenes the provisions of sub-section (5) of section 7 or section 9, such limited liability partnership and its every partner shall be liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one hundred rupees for each day after the first during which such contravention continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for its every partner.”.

6. In section 13 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

Amendment
of section 13.

“(4) If any default is made in complying with the requirements of this section, the limited liability partnership and its every partner shall be liable to a penalty of five hundred rupees for each day during which the default continues, subject to a maximum of fifty thousand rupees for the limited liability partnership and its every partner.”.

7. In section 15 of the principal Act, in sub-section (2), for clause (b), the following shall be substituted, namely:—

Amendment
of section 15.

“(b) 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.”.

47 of 1999.

8. For section 17 of the principal Act, the following section shall be substituted, namely:—

Substitution of
new section for
section 17.

“17. (1) Notwithstanding anything contained in sections 15 and 16, if through inadvertence or otherwise, a limited liability partnership, on its first registration or on its registration by a new name, is registered by a name which is identical with or too nearly resembles to—

Rectification
of name of
limited
liability
partnership.

(a) that of any other limited liability partnership or a company; or

(b) a registered trade mark of a proprietor under the Trade Marks Act, 1999,

47 of 1999.

as is likely to be mistaken for it, then on an application of such limited liability partnership or proprietor referred to in clauses (a) and (b) respectively or a company, the Central Government may direct that such limited liability partnership to change its name or new name within a period of three months from the date of issue of such direction:

Provided that an application of the proprietor of the registered trade marks shall be maintainable within a period of three years from the date of incorporation or registration or change of name of the limited liability partnership under this Act.

(2) Where a limited liability partnership changes its name or obtains a new name under sub-section (1), it shall within a period of fifteen days from the date of such change, give notice of the change to Registrar along with the order of the Central Government, who shall carry out necessary changes in the certificate of incorporation and within thirty days of such change in the certificate of incorporation, such limited liability partnership shall change its name in the limited liability partnership agreement.

(3) If the limited liability partnership is in default in complying with any direction given under sub-section (1), the Central Government shall allot a new name to the limited liability partnership in such manner as may be prescribed and the Registrar shall enter the new name in the register of limited liability partnerships in place of the old name and issue a fresh certificate of incorporation with new name, which the limited liability partnership shall use thereafter:

Provided that nothing contained in this sub-section shall prevent a limited liability partnership from subsequently changing its name in accordance with the provisions of section 16.”.

Omission of section 18.

9. Section 18 of the principal Act shall be omitted.

Amendment of section 21.

10. In section 21 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) If the limited liability partnership contravenes the provisions of this section, the limited liability partnership shall be liable to a penalty of ten thousand rupees.”.

Amendment of section 25.

11. In section 25 of the principal Act, for sub-sections (4) and (5), the following sub-sections shall be substituted, namely:—

“(4) If the limited liability partnership contravenes the provisions of sub-section (2), the limited liability partnership and its every designated partner shall be liable to a penalty of ten thousand rupees.

(5) If the contravention referred to in sub-section (1) is made by any partner of the limited liability partnership, such partner shall be liable to a penalty of ten thousand rupees.”.

Amendment of section 30.

12. In section 30 of the principal Act, in sub-section (2), for the words “two years”, the words “five years” shall be substituted.

Amendment of section 34.

13. In section 34 of the principal Act, for sub-section (5), the following sub-sections shall be substituted, namely:—

“(5) Any limited liability partnership which fails to comply with the provisions of sub-section (3), such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for every designated partner.

(6) Any limited liability partnership which fails to comply with the provisions of sub-section (1), sub-section (2) and sub-section (4), such limited liability partnership shall be punishable with fine which shall not be less than twenty-five thousand rupees, but may extend to five lakh rupees and every designated partner of such limited liability partnership shall be punishable with fine which shall not be less than ten thousand rupees, but may extend to one lakh rupees.”.

14. After section 34 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 34A.

18 of 2013.

“34A. The Central Government may, in consultation with the National Financial Reporting Authority constituted under section 132 of the Companies Act, 2013,—

Accounting and auditing standards.

(a) prescribe the standards of accounting; and

(b) prescribe the standards of auditing,

38 of 1949.

as recommended by the Institute of Chartered Accountants of India constituted under section 3 of the Chartered Accountants Act, 1949, for a class or classes of limited liability partnerships.”.

15. In section 35 of the principal Act, for sub-sections (2) and (3), the following sub-section shall be substituted, namely:—

Amendment of section 35.

“(2) If any limited liability partnership fails to file its annual return under sub-section (1) before the expiry of the period specified therein, such limited liability partnership and its designated partners shall be liable to a penalty of one hundred rupees for each day during which such failure continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for designated partners.”.

16. For section 39 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 39.

2 of 1974.

“39. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Regional Director or any other officer not below the rank of Regional Director authorised by the Central Government may compound any offence under this Act which is punishable with fine only, by collecting from a person reasonably suspected of having committed the offence, a sum which may extend to the amount of the maximum fine provided for the offence but shall not be lower than the minimum amount provided for the offence.

Compounding of offences.

(2) Nothing contained in sub-section (1) shall apply to an offence committed by a limited liability partnership or its partner or its designated partner within a period of three years from the date on which similar offence committed by it or him was compounded under this section.

Explanation.—For the removal of doubts, it is hereby clarified that any second or subsequent offence committed after the expiry of the period of three years from the date on which the offence was previously compounded, shall be deemed to be the first offence.

(3) Every application for the compounding of an offence shall be made to the Registrar who shall forward the same, together with his comments thereon, to the Regional Director or any other officer not below the rank of Regional Director authorised by the Central Government, as the case may be.

(4) Where any offence is compounded under this section, whether before or after the institution of any prosecution, intimation thereof shall be given to the Registrar within a period of seven days from the date on which the offence is so compounded.

(5) Where any offence is compounded before the institution of any prosecution, no prosecution shall be instituted in relation to such offence.

(6) Where the compounding of any offence is made after the institution of any prosecution, such compounding shall be brought by the Registrar in writing, to the notice of the court in which prosecution is pending and on such notice of the compounding of the offence being given, the offender in relation to which the offence is so compounded shall be discharged.

(7) The Regional Director or any other officer not below the rank of Regional Director authorised by the Central Government, while dealing with the proposal for compounding of an offence may, by an order, direct any partner, designated partner or other employee of the limited liability partnership to file or register, or on payment of fee or additional fee as required to be paid under this Act, such return, account or other document within such time as may be specified in the order.

(8) Notwithstanding anything contained in this section, if any partner or designated partner or other employee of the limited liability partnership who fails to comply with any order made by the Regional Director or any other officer not below the rank of Regional Director authorised by the Central Government, under sub-section (7), the maximum amount of fine for the offence, which was under consideration of Regional Director or such authorised officer for compounding under this section shall be twice the amount provided in the corresponding section in which punishment for such offence is provided.”.

Amendment
of section 60.

17. In section 60 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) If default is made in complying with the provisions of sub-section (3), the limited liability partnership and its every designated partner shall be liable to a penalty of ten thousand rupees, and in case of continuing default, with a further penalty of one hundred rupees for each day after the first during which such default continues, subject to a maximum of one lakh rupees for limited liability partnership and fifty thousand rupees for every designated partner.”.

Amendment
of section 62.

18. In section 62 of the principal Act, for sub-section (4) and *Explanation* occurring after sub-section (4), the following sub-section and *Explanation* shall be substituted, namely:—

“(4) If default is made in complying with the provisions of sub-section (3), the limited liability partnership and its every designated partner shall be liable to a penalty of ten thousand rupees, and in case of the continuing default, with a further penalty of one hundred rupees for each day, after the first during which such default continues, subject to a maximum of one lakh rupees for limited liability partnership and fifty thousand rupees for every designated partner.

Explanation.—For the purposes of this section,—

(i) “property” includes property, rights and powers of every description and “liabilities” includes duties of every description;

(ii) a “limited liability partnership” shall not be amalgamated with a company.’.

Insertion of
new sections
67A, 67B and
67C.

19. After section 67 of the principal Act, the following sections shall be inserted, namely:—

Establishment
of Special
Courts.

“67A. (1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary for such area or areas, as may be specified in the notification.

(2) The Special Court shall consist of—

(a) a single Judge holding office as Sessions Judge or Additional Sessions Judge, in case of offences punishable under this Act with imprisonment of three years or more; and

(b) a Metropolitan Magistrate or a Judicial Magistrate of the first class, in the case of other offences,

who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court:

18 of 2013. Provided that until Special Courts are designated or established under sub-section (1), the Courts designated as Special Courts in terms of section 435 of the Companies Act, 2013 shall be deemed to be Special Courts for the purpose of trial of offences punishable under this Act:

2 of 1974. Provided further that notwithstanding anything contained in the Code of Criminal
18 of 2013. Procedure, 1973, any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established under this Act or the Companies Act, 2013, be tried by a Court of Sessions or the Court of Metropolitan Magistrate or a Judicial Magistrate of the first class, as the case may be, exercising jurisdiction over the area.

2 of 1974. 67B. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences specified under sub-section (1) of section 67A shall be triable only by the Special Court established or designated for the area in which the registered office of the limited liability partnership is situated in relation to which the offence is committed or where there are more than one Special Courts for such area, by such one of them as may be specified in this behalf by the High Court concerned. Procedure and powers of Special Court.

2 of 1974. (2) While trying an offence under this Act, a Special Court may also try an offence other than an offence under this Act with which the accused may, under the Code of Criminal Procedure, 1973 be charged at the same trial.

2 of 1974. (3) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the Special Court may, if it thinks fit, try in a summary way any offence under this Act which is punishable with imprisonment for a term not exceeding three years:

Provided that in the case of any conviction in a summary trial, no sentence of imprisonment for a term exceeding one year shall be passed:

Provided further that, when at the commencement of or in the course of a summary trial, it appears to the Special Court that the nature of the case is such that the sentence of imprisonment for a term exceeding one year may have to be passed or that it is, for any other reason, undesirable to try the case summarily, the Special Court shall, after hearing the parties, record an order to that effect and thereafter recall any witnesses who may have been examined and proceed to hear or re-hear the case in accordance with the procedure for the regular trial.

2 of 1974. 67C. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Sessions trying cases within the local limits of the jurisdiction of the High Court.”. Appeal and revision.

20. After section 68 of the principal Act, the following section shall be inserted, namely:— Insertion of new section 68A.

“68A. (1) For the purpose of exercising such powers and discharging such functions as are conferred on the Central Government by or under this Act or under rules made thereunder and for the purpose of registration of limited liability partnerships under this Act, the Central Government shall, by notification, establish such number of registration offices at such places as it thinks fit, specifying their jurisdiction. Registration offices.

(2) The Central Government may appoint such Registrars, Additional Registrars, Joint Registrars, Deputy Registrars and Assistant Registrars as it considers necessary, for the registration of limited liability partnerships and discharge of various functions under this Act.

(3) The powers and duties of the Registrars referred to in sub-section (2) and the terms and conditions of their service shall be such as may be prescribed.

(4) The Central Government may direct the Registrar to prepare a seal or seals for the authentication of documents required for, or connected with the registration of limited liability partnerships.”.

Substitution of new section for section 69.

21. For section 69 of the principal Act, the following section shall be substituted, namely:—

Payment of additional fee.

“69. Any document or return required to be registered or filed under this Act with Registrar, if, is not registered or filed in time provided therein, may be registered or filed after that time, on payment of such additional fee as may be prescribed in addition to any fee as is payable for filing of such document or return:

Provided that such document or return shall be filed after the due date of filing, without prejudice to any other action or liability under this Act:

Provided further that a different fee or additional fee may be prescribed for different classes of limited liability partnerships or for different documents or returns required to be filed under this Act or rules made thereunder.”.

Amendment of section 72.

22. In section 72 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) Any person aggrieved by an order of Tribunal may prefer an appeal to the Appellate Tribunal:

Provided that no appeal shall lie to the Appellate Tribunal from an order made by the Tribunal with the consent of parties.

(3) Every appeal preferred under sub-section (2) shall be filed within a period of sixty days from the date on which the copy of the order of the Tribunal is made available to the person aggrieved and shall be in such form, and accompanied by such fees, as may be prescribed:

Provided that the Appellate Tribunal may entertain an appeal after the expiry of the said period of sixty days, but within a further period of not exceeding sixty days, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the period so specified.

(4) On the receipt of an appeal under sub-section (2), the Appellate Tribunal shall, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

(5) The Appellate Tribunal shall send a copy of every order made by it to the Tribunal and the parties to the appeal.”.

Omission of section 73.

23. Section 73 of the principal Act shall be omitted.

Substitution of new section for section 74.

24. For section 74 of the principal Act, the following section shall be substituted, namely:—

General penalties.

“74. If a limited liability partnership or any partner or any designated partner or any other person contravenes any of the provisions of this Act or the rules made thereunder, or any condition, limitation or restriction subject to which any approval, sanction, consent, confirmation, recognition, direction or exemption in relation to any matter has been accorded, given or granted, and for which no penalty or punishment is provided elsewhere in this Act, the limited liability partnership or any partner or any designated partner or any other person, who is in the default, shall be liable to a

penalty of five thousand rupees and in case of a continuing contravention with a further penalty of one hundred rupees for each day after the first during which such contravention continues, subject to a maximum of one lakh rupees.”.

25. After section 76 of the principal Act, the following section shall be inserted, namely:—

Insertion of
new section
76A.

“76A. (1) For the purposes of adjudging penalties under this Act, the Central Government may, by an order published in the Official Gazette, appoint as many officers of the Central Government, not below the rank of Registrar, as adjudicating officers in such manner as may be prescribed.

Adjudication
of penalties.

(2) The Central Government shall, while appointing adjudicating officers, specify their jurisdiction in the order under sub-section (1).

(3) The adjudicating officer may, by an order—

(a) impose the penalty on the limited liability partnership or its partners or designated partners or any other person, as the case may be, stating therein any non-compliance or default under the relevant provisions of this Act:

Provided that in case default relates to non-compliance of sub-section (3) of section 34 or sub-section (1) of section 35 and such default has been rectified either prior to or within thirty days of the issue of the notice by the adjudicating officer, no penalty shall be imposed in this regard and proceedings under this section in respect of such default shall be deemed to be concluded:

Provided further that notwithstanding anything contained in this Act, if penalty is payable for non-compliance of any of the provisions of this Act by a small limited liability partnership or a start-up limited liability partnership or by its partner or designated partner or any other person in respect of such limited liability partnership, then such limited liability partnership or its partner or designated partner or any other person, shall be liable to a penalty which shall be one-half of the penalty specified in such provisions subject to a maximum of one lakh rupees for limited liability partnership and fifty thousand rupees for every partner or designated partner or any other person, as the case may be.

Explanation.—For the purposes of this proviso, the expression “start-up limited liability partnership” means a limited liability partnership incorporated under this Act and recognised as such in accordance with the notifications issued by the Central Government from time to time.

(b) direct such limited liability partnership or its partner or designated partner or any other person, as the case may be, to rectify the default, wherever he considers fit for reasons to be recorded in writing.

(4) The adjudicating officer shall, before imposing any penalty, give an opportunity of being heard to such limited liability partnership or its partner or designated partner or any other person, who is in default.

(5) Any person aggrieved by an order made by the adjudicating officer under sub-section (3) may prefer an appeal to the Regional Director having jurisdiction in the matter.

(6) Every appeal made under sub-section (5) shall be filed within a period of sixty days from the date on which the copy of the order made by the adjudicating officer is received by the aggrieved person and shall be in such form, manner and accompanied by such fees as may be prescribed:

Provided that the Regional Director may, for the reasons to be recorded in writing, extend the period of filing an appeal, under this sub-section, by not more than thirty days.

(7) The Regional Director may, after giving an opportunity of being heard to the parties to the appeal, pass such order as he thinks fit, confirming, modifying or setting aside the order appealed against.

(8) Where a limited liability partnership fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be, within a period of ninety days from the date of receipt of the copy of the order, such limited liability partnership shall be punishable with fine which shall not be less than twenty-five thousand rupees, but may extend to five lakh rupees.

(9) Where a partner or designated partner of a limited liability partnership or any other person who is in default fails to comply with an order made under sub-section (3) or sub-section (7), as the case may be, within a period of ninety days from the date of receipt of the copy of the order, such partner or designated partner or any other person shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than twenty-five thousand rupees but may extend to one lakh rupees, or with both.”.

Substitution of
new sections
for section 77.

26. For section 77 of the principal Act, the following sections shall be substituted, namely:—

Jurisdiction of
Courts.

“77. Subject to the provisions contained in section 67A and section 67B, on and from the date of establishment or designation of Special Courts under this Act,—

(i) the Special Court referred to in clause (a) of sub-section (2) of section 67A shall have jurisdiction and power to impose punishment under section 30 of the Act; and

(ii) the criminal cases against the limited liability partnership or its partners or designated partners or any other person in default filed under this Act and pending before the court of Judicial Magistrate of the first class or Metropolitan Magistrate, as the case may be, shall be transferred to the Special Court referred to in clause (b) of sub-section (2) of section 67A.

Cognizance of
offences.

77A. No court, other than the Special Courts referred to in section 67A, shall take cognizance of any offence punishable under this Act or the rules made thereunder save on a complaint in writing made by the Registrar or by any officer not below the rank of Registrar duly authorised by the Central Government for this purpose.”.

Amendment
of section 79.

27. In section 79 of the principal Act, in sub-section (2),—

(i) for clause (a), the following clauses shall be substituted, namely:—

“(a) the contribution of such higher amount under sub-clauses (i) and (ii) of clause (ta) of section 2;

(aa) the terms and conditions to be fulfilled by class or classes of limited liability partnerships under long line to clause (ta) of section 2;

(ab) the form and manner of prior consent to be given by designated partner under sub-section (3) of section 7;”;

(ii) after clause (k), the following clause shall be inserted, namely:—

“(ka) the manner of allotting a new name to the limited liability partnership under sub-section (3) of section 17;”;

(iii) after clause (t), the following clause shall be inserted, namely:—

“(ta) the standards of accounting and auditing under section 34A;”;

(iv) after clause (zf), the following clauses shall be inserted, namely:—

“(zfa) the powers and duties to be discharged by the Registrars and the terms and conditions of their service under sub-section (3) of section 68A;

(zfb) the payment of additional fee for filing of document or return and the payment of different fee or additional fee under section 69;

(zfc) the form and fee for filing of appeal under sub-section (3) of section 72;”;

(v) after clause (zg), the following clauses shall be inserted, namely:—

“(zga) the manner of appointing adjudicating officers for adjudging penalty under sub-section (1) of section 76A;

(zgb) the form, manner and fee for filing an appeal against the order made by the adjudicating officer under sub-section (6) of section 76A;”;

(vi) in clause (zl), the word “and” occurring at the end shall be omitted;

(vii) after clause (zm), the following clause shall be inserted, namely:—

“(zn) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made by rules.”.

28. In section 80 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

Amendment
of section 80.

“(1A) Notwithstanding anything contained in sub-section (1), if any difficulty arises in giving effect to the provisions of this Act as amended by the Limited Liability Partnership (Amendment) Act, 2021, the Central Government may, by order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of a period of three years from the date of commencement of the Limited Liability Partnership (Amendment) Act, 2021.”.

29. Section 81 of the principal Act shall be omitted.

Omission of
section 81.

ANOOP KUMAR MENDIRATTA,
Secretary to the Govt. of India.