

Conversion of Private Limited to LLP

Procedure to Convert Private Company to LLP:

Step: 1 Obtain DIN of all the Designated Partners

In case the designated partners already have the DIN, there is no need to obtain new DIN.

Note: DPIN was earlier applicable but now has been merged with DIN.

Step: 2 Obtain DSC for all Proposed designated partners

In case the designated partners already have the DSC, there is no need to obtain new DSC.

Step: 3 Board Meeting

Call meeting of Board of Directors and pass a Resolution for conversion of Company into LLP.

Step: 4 Application for Name Availability:

Application shall be made in [E-form 1](#) for the availability of the proposed name with the Registrar.

Attachments:

Boards Resolution passed by the Company approving the conversion into LLP.

Step: 5 Filing of Incorporation Document:

File [E-Form 2](#) with ROC along with following attachments:

- a) Where the appointed partner is a body corporate, copy of resolution on the letterhead of such body corporate to become a partner in the proposed LLP and a copy of resolution/ authorization of such body corporate also on a letterhead mentioning the name and address of an individual nominated to act as nominee/designated partner on its behalf
- b) Proof of address of registered office.
- c) Subscriber's sheet including consent.

- d) Details of LLP(s) and / or Company(s) in which partner/ designated partner is a director/ partner(If Applicable)

Step: 6 Filing of Application for Conversion of an existing company into LLP:

It is required that [E-Form 18](#) should be filed together with filing of **E-Form 2** (Incorporation document and subscriber's statement) in case of **conversion of an existing company into LLP**.

Please ensure the following before filing E-Form 18:

- a) In case of conversion of Private Limited Company into LLP, all the shareholders of the Company to be partners in the LLP. No one else can be partner in LLP.
- b) No E-Forms should be pending for payment or processing in respect of the company.
- c) No open (unsatisfied) charges should be pending against the company.
- d) Company should not be a 'Section 25 company'
- e) At least one balance sheet and annual return should have been filed by the company after its incorporation.

Application for conversion has to be made in File E-Form 18 with ROC along with following Attachments:

- a) Statement of Shareholders
- b) Incorporation document & Statement in Form 2 filed electronically.
- c) Statement of Assets and Liabilities of the company duly Certified by Chartered Accountant in Practice.
- d) List of Creditors along with their consent to the conversion
- e) Copy of Acknowledgement of Latest Income Tax return.

Step: 7 Filing of [E-Form 3](#)(Information with regard to limited liability partnership agreement and changes, if any, made therein)

Information with regard to LLP agreement & changes, if any, made therein shall be **filed within 30 days** of date of Registration of the LLP.

Attachment:

- a) Signed LLP agreement.

Step: 8 Certificate of Incorporation

Registrar will issue the certificate of registration on conversion of the private limited company into LLP in **Form 19** of the LLP Rules & Forms 2008

On issue of certificate of registration, the new LLP thus formed shall **within 15 days** from the date of registration **inform the concerned Registrar of Companies** with whom the erstwhile private limited company was registered about such conversion in **Form 14** of the LLP Rules & Forms 2008.

Step: 9 Filing of [Form 14](#): (Intimation to ROC)

After Receiving Incorporation Certificate, Limited liability partnership to file within 15 days of the date of registration, information to the concerned Registrar of Companies with which it was registered.

Form 14 must be accompanied by the following attachments:

- a) Copy of Certificate of Incorporation of LLP formed.
- b) Copy of incorporation document submitted in Form 2 (with the Registrar of Firms)

Other -Post Conversion Issues:-

Obtain:

- a) Fresh IT PAN
- b) New Bank Account
- c) All other applicable licences like Service tax, VAT, Excise, Customs, IEC etc.

LLP to maintain on all its official publication:-

Formerly known as “.....Private Limited” (regd. No. . . ./.....) converted and registered as LLP on . . \ . . \ vide LLPIN:..... with limited liability – for a period of 12 months.

Fee Rule

From	Contribution			
	Up to 1,00,000	>1,00,000 < = 5,00,000	> 5,00,000 < = 10,00,000	> 10,00,000
Form 1 (Name Availability)	200	200	200	200
Form 2 (Incorporation Document)	500	2,000	4,000	5,000
Form 3(LLP agreement Registration)	50	100	150	200
Form 18	50	100	150	200
Total	800	2400	4500	5600

Effects of Conversion to LLP

1. All the assets and liabilities of the company immediately before the conversion become the assets and liabilities of the limited liability partnership.
2. (a) All the shareholders of the company immediately before the conversion become the partners of the limited liability partnership.
(b) Their capital contribution and profit sharing ratio in the limited liability partnership are in the same proportion as their shareholding in the company on the date of conversion.
3. The shareholders of the company do not receive any consideration or benefit, directly or indirectly, in any form or manner, other than by way of share in profit and capital contribution in the limited liability partnership.
4. The aggregate of the profit sharing ratio of the shareholders of the company in the limited liability partnership shall not be less than fifty per cent at any time during the period of five years from the date of conversion.
5. The total sales, turnover or gross receipts in the business of the company in any of the three previous years preceding the previous year in which the conversion takes place does not exceed sixty lakh rupees.
6. No amount is paid, either directly or indirectly, to any partner out of balance of accumulated profit standing in the accounts of the company on the date of conversion for a period of three years from the date of conversion.