QUICK REVIEW OF LIMITED LAIBILITY PARTNERSHIP FORM

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Summary of LLP

"LLP IS COMPANY FORM OF TODAY PARTNERSHIP FORM WHICH IS GO-VERN BY LLP ACT 2008 WHICH IS EARLIER GOVERN BY PARTNERSHIP ACT 1932"

LLP Is Noting but Latest Version of the Partnership Firm. Its basic feature is similar to the Partnership firm and its advance feature is similar to the company. In LLP all administration work or routing business activity is performing as it which is earlier made in the partnership firm. But in compared to the Partnership it start the only taking the agreement between the partner and start the business while in the Limited Liability Partnership firm require Certain procurers to start the business i.e. LLP require to incorporate with ROC and Some requirement is to be fulfilled the as par specified In the LLP Act 2008. As increase complexity in business and governing rules in the company it create the more compliance of the requirement of company Act 1956, As Comparison to company LLP require less compliance and requirement for it incorporation. Here, there is description / Specified procedure is to be follow to incorporate the Limited Liability Partnership Firm

Common Content LLP and Partnership firm

There are some area where they are some similarity between them which is show in the Table Format

Point	LLP Position	Partnership Firm
Incorporate Document	Agreement	Partnership Deed
Administration	Same by Mutual Decided & As par Agreement	Same By Mutual Decided By Deed
Profit In the Hand Of Partner	Tax Free	Tax Free
Rules And Regulation	As Par agreement	As Par Deed

Interest on capital	Allowed	Allowed
Change Of Registrar office	Some formality	Easily
Remuneration	As specified Agreement	As Specified Deed
Profit Sharing Ratio	As Specified Agreement	As Specified in Deed

With the study of all the Above Point it will analysis that LLP is fulfilled all the Basic characteristic of Partnership Form so but there has to be it difference from the Partnership Form in some Special such as the Rules to Governs, Notified, treatment in case of tax, incorporation process and it also distinguish some Special Characteristic or feature of LLP Which also Show in the tabular Form

Special Feature Difference Point for LLP and Partnership Firm

Point	LLP	Partnership Firm
Behind which Act is Operation	LLP ACT 2008	PARTNERSHIP ACT 1932
Separate entity	Yes	No
Govern	Central Government	State law
Statutory Audit & Maintenance of Account	Yes*	No
Number Of Partner	2 Min or Max 200	2 Min or 20 Max**
Incorporation Formality	More Formality	Some formality
Liability of each partner	Unlimited	Limited to Contribution
Management	2 Partner Required	On active Partner Required
Minor Position	No hold any Position	Beneficiary Position
Effect Of Death and unsound mind partner	Not wound up Business	May Become End of the Organization

*subject to turnover more than Rs 40, 00,000

**for the banking it is restricted to 10 members

➢ LLP and Company comparison

LLP and Company is also distinguishing from Procedure for compliance, incorporation, Decision making and day to day business activity. So LLP new organization structure of company form but actually it is mixture of the Partnership firm and Company assessee. It covers all the Basic feature of the Partnership firm and Special feature of the Company.

Here, the is difference in the Following aspect in between, which are differentiate in the following tabular form

Basic Difference between the Company and Limited Liability Partnership

Description	Company	LLP
All Business And Administration is govern	Article of Association and Memorandum of Association	As par LLP Agreement between the Partner as Decided
Change of Registrar office	More Formality	Some Formality
Number of Participants	Min 2 or Maximum 200	Subject to the Type of company*
Statutory Audit	Compulsory	Subject to T/o More than Rs.40,00,000
Liability of Partner	Limited to the Capital of company	Limited to the partner Contribution
Management	BOD	Designated Partner
Interest on capital	Not allowed	Allowed
Book of Account	Balance sheet & profit and loss Account	Statement of Account and Insolvency Statement
Distribution of profit	Company has paid DDT on dividend	No tax is paid subject to condition
Loan and advance by the entity to the Participant	Taxable as deemed dividend	It not taxable
Trust and other charitable entity	Is allowed as par company Act 1956	This type of institute or entity is not allowed in LLP`

Minor Position	Legal Guardian is hold the share	Not Hold any position in the LLP
Management Decision	By Board of directors Meeting	By Mutual Decision take
Day to Day business	Done by Management Personnel	Done by Partner
Promoters and Director	Are Difference	May be One
Useful which type of business	Manufacture	Professional
Director or share Holder	Difference Person	Same Person
Criteria of Capital	Specified in ACT	No specified
Compliance	Auditor Appointment, Board Resolution Certain Matter, Member Approval, government Approval	Comparison is less than Company, only specified matter Government approval required

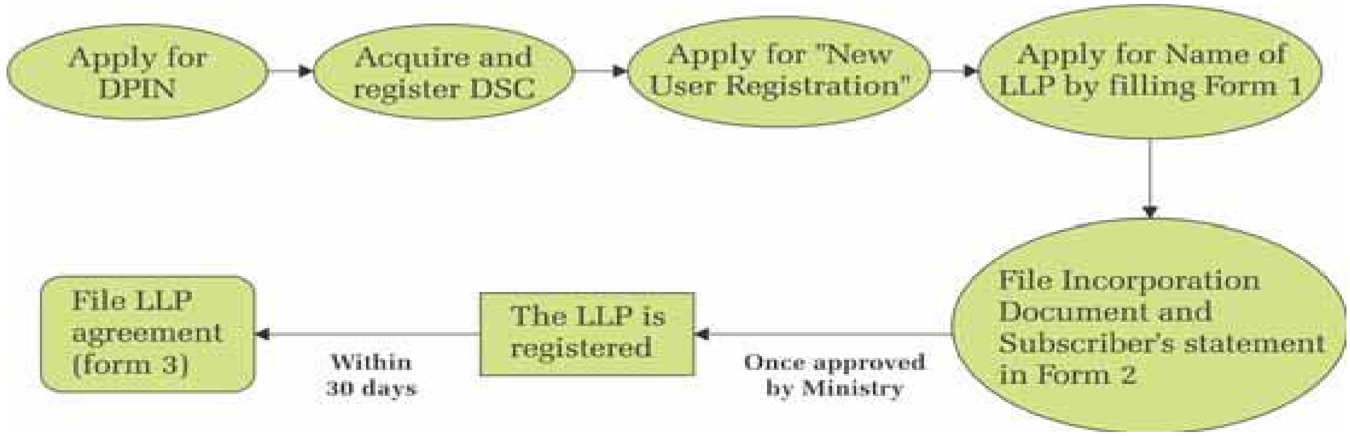
* Public Company Minimum 7 maximum no limit but in Private Limited company it is 2 and subject to Maximum 50

- **Incorporation process**

Following are procedure are to followed for incorporation of the LLP

SNAP SHORT OF PROCEDURE TO FOLLOW

1 Deciding the Partners and Designated Partners
2 Obtaining DPIN No. & Digital Signature
3 Checking the Name Availability
4 Drafting of LLP Agreement
5 Filing of Incorporation Documents
6 Certificate of Incorporation



- **Which preferable in difference situation**

This type of organization Structure is Prefer for the all type of Professional Business. This type of organization where every partner is held some professional knowledge and they want to start business in the large scale at minimum financial resource.