

PROCEDURE FOR CONVERSION OF COMPANY TO LIMITED LIABILITY PARTNERSHIP



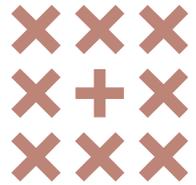
BACKGROUND

The purpose of this presentation is to highlight the brief procedure of conversion of Company to Limited Liability Partnership (“LLP”) as per the relevant sections of Companies Act, 2013, Limited Liability Act, 2008 and rules made thereunder along with the other various statutory laws as applicable in India.



BACKGROUND

In the event where a Company which is incorporated as a Private Limited Company is desirous of converting into a LLP, considering the ease of doing business. Each shareholder of the Private Limited Company must submit a statement and consent for conversion of a company into LLP along with the application to Registrar of Companies (“ROC”).



PROCEDURE FOR CONVERSION OF COMPANY INTO LLP

Steps for Conversion

Step 1- Board Meeting

The first step is to convene meeting of Board of Directors (“BOD”) to consider the need and reason for conversion of the Company into LLP and take approval from the Board.

Step 2- Name Approval

Application for name availability of the LLP to be filed with ROC in Form “LLP Reserve Unique Name” (“LLP RUN”).

Chosen name should be same as the name of the Company, only the word Private Limited should be substituted with word LLP.

Step 3- Documentation

Upon obtaining the name availability certificate, preparation of necessary documents in prescribed formats like consents, affidavits, LLP Agreement and declarations etc. in relation to conversion.

In case the documents executed outside India, all the documents shall be notarized and apostilled.

Step 4- Filing and Registration

After all the documents are executed, the respective e-forms along with all signed documents for application of conversion of Company into LLP shall be filed with ROC.

ROC scrutinizes the documents and if found in order, he will issue the Certificate of Registration for conversion of the Company into LLP.



Steps for Conversion

Step 5- Filing of LLP Agreement

Once the Certificate for conversion is issued by the ROC, the LLP Agreement duly signed by all Partners/DPs is filed with respective e-form within 30 days from the date of incorporation of LLP with ROC. Stamp duty to be paid depending upon the capital contribution.

ROC scrutinizes the LLP Agreement and if found in order, the same shall be registered by ROC.

Step 6- Intimation to ROC

Also, once the certificate for conversion is issued by the ROC, hard copy of the requisite form is required to be submit with ROC for intimating about the conversion of Company into LLP.

Step 7- PAN/TAN

The LLP needs to apply for conversion in the database of all tax authorities i.e. PAN/TAN, and any other registrations and shall also ensure that the letterheads, Invoices, name plate, and/or any other correspondences are amended / altered and undertake necessary updation of bank records.



Implication on conversion

- There shall be a Limited Liability Partnership by the name specified in the certificate of registration.
- The private company shall be deemed to be dissolved and removed from the register of the ROC.
- All the properties, assets, interests, rights, privileges, liabilities and obligations of the private limited company is transferred to the LLP.
- The conversion has no bearing on the existing liabilities, obligations, agreements, contracts and continued employment.
- 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 LLP.
- 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 LLP.
- Every existing contract to which the company was a party, immediately before the date of registration or every contract of employment, shall continue in force on or after the date of registration as if the LLP were the employer there under instead of the company.

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