

XXX PROCEDURE FOR CONVERSION OF
X+X PARTNERSHIP FIRM TO LIMITED LIABILITY
XXX PARTNERSHIP



BACKGROUND

The purpose of this presentation is to highlight the brief procedure of conversion of Partnership Firm (“Firm”) 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 Firm which has been registered as a Partnership Firm is desirous of converting into a LLP, considering the ease of doing business, each partner of the firm must submit a statement and consent for conversion of a firm into LLP along with the application to Registrar of Companies (“ROC”).



PROCEDURE FOR CONVERSION OF FIRM INTO LLP

Steps for Conversion

Step 1- 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 firm, only the word LLP should be added.

Step 2- 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 3- Filing and Registration

After all the documents are executed, the respective e-forms along with all signed documents for application of conversion of Firm 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 Firm into LLP.



Steps for Conversion

Step 4- Filing of LLP Agreement

Once the Certificate for conversion is issued by the ROC, the LLP Agreement duly signed by all Partners/DPs is to be filed with respective e-form within 30 days from the date of issuance of certificate 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 5- 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 Firm into LLP.

Step 6- 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 Firm shall be deemed to be dissolved.
- All the properties, assets, interests, rights, privileges, liabilities and obligations of the Firm 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 Firm 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 Firm may be enforced by or against the LLP.
- Every existing contract to which the Firm 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 Firm.

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