



CONVERSION OF PRIVATE LIMITED COMPANY INTO LLP

Introduction

Limited Liability Partnership (LLP) was introduced in India through LLP Act, 2008 to help small entrepreneurs with the advantage of self-governance and less compliances.

LLP is a corporate body and granted legal status as that of Company. The internal structure of LLP can be easily handled in comparison to that of other Companies.

Requirements

A private limited company will be eligible to convert into LLP only if:

- All the shareholders of the Company will be the partners of the proposed LLP
- There exists no charge over any of the assets of the Private Limited Company.

Checks for Conversion of Company into LLP

- Every designated partner is required to obtain DIN
- Whether up to date Income Tax Return is filed under Income Tax Act, 1961
- Whether any prosecution is initiated against or show cause notice received by the Company for alleged offences under the Companies Act, 1956.
- Whether any proceeding by or against the company is pending in any court or Tribunal or any other Authority

- Whether any conviction, ruling, order, judgement of any court, Tribunal or other authority in favour of or against the Company is subsisting.
- Whether any clearance, approval or permission of conversion of the company into limited liability partnership is required from any authority.
- Whether company have creditors if yes then NOC from creditors is required.

Process for Conversion of Private Limited into LLP

a) Obtain DIN

Obtain DIN for those designated partner who don't possess DIN.

b) Board Meeting

- Call meeting of Board of Directors
- Pass resolution for conversion of Company into LLP
- Pass resolution to authorise any director to apply name for LLP

c) Application for Name Availability

File e form Form-1 with ROC

Attachments: Board Resolution passed by the Company approving the conversion into LLP shall be attached with the aforesaid form

Obtain Name Approval Certificate from ROC

d) Drafting of Limited Liability Agreement

Contents of Agreement are

- Name of LLP
- Name of Partners & Designated Partners
- Form of Contribution
- Profit Sharing Ratio
- Right & Duties of Partners
- Proposed Business
- Rules for governing of LLP

It is not necessary to have the LLP Agreement signed at the time of Incorporation, as the details of the same need to fill in e-form 3 within 30 days of Incorporation but in order to avoid any dispute between the partners as to the terms & conditions of the agreement after conversion into LLP.

e) Filing of Application for Conversion

File e-form 18 with ROC along with following attachments:

- Statement of shareholders
 - Incorporation Documents & Subscribers Statements in form 2 filed electronically.
 - Statement of Assets & Liabilities of the Company duly certified as true and correct by the auditor
 - List of all the secured creditors along with their consent to the conversion.
 - Approval of the governing council (In case of professional private limited Companies)
 - NOC from Income tax authorities and Copy of acknowledgement of latest Income Tax Return
 - Approval of any other body/authority as may be required.
 - Particulars of pending proceedings from any court/tribunal etc.
- f) After all formalities and filings been complied with by the applicants and approved by the Ministry, [REGISTRAR OF LLP TO ISSUE A CERTIFICATE OF REGISTRATION](#) in form no 19 as to conversion of the LLP. The Certificate of Registration issued shall be conclusive evidence of conversion of the LLP.

g) [Filing of E-form 3](#)

This form provides information in respect to the LLP Agreement entered into between the partners.

Attachment: LLP Agreement

h) Certificate of Incorporation as LLP form ROC

i) [Filing of E-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 under the provisions of the Companies Act, 2013 about the conversion and of the particulars of the limited liability partnership in E-form 14 within 15 days of conversion into LLP

Attachments

Copy of certificate of Incorporation of LLP

Copy of incorporation document submitted in form 2.