

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:2910  
ANSWERED ON:18.08.2011  
LIMITED LIABILITY PARTNERSHIP RULES  
Antony Shri Anto

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether the Limited Liability Partnership Rules (LLPR) is functional in the country;
- (b) if so, the details thereof;
- (c) the details of its goals and salient features; and
- (d) the number of firms converted to the LLPR during the last three years, state-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS (SHRI R.P.N. SINGH)

(a) & (b) Yes, Madam. The Limited Liability Partnership Rules, 2009 were notified on 01.04.2009. As on 08-08-2011, 5883 LLPs are registered all over India.

(c) The Limited Liability Partnership (LLP) is an alternative corporate business vehicle that provides the benefits of limited liability but allows its members the flexibility of organizing their internal structure as a partnership based on a mutually arrived agreement.

The salient features of LLP Act, 2008, inter alia, are as follows:

1. It is a body corporate with separate legal entity from its partners. The mutual rights and duties of the partners of an LLP are governed by LLP Agreement.
2. LLP is liable to the extent of its assets. Partner's liability is limited to the extent of agreed contribution (capital) in the LLP Agreement.
3. No partner is liable on account of the independent or unauthorized action of other partners or for their misconduct.
4. Every LLP should have at least two partners with at least two individuals as "designated partners", of whom at least one must be resident in India. Only designated partners are responsible for compliance with the Act.
5. A firm, private company or an unlisted public company can be converted into LLP.
6. The Act empowers Central Government to apply provisions of the Companies Act, 1956 as appropriate, by notification with such changes as deemed necessary, in the LLP Act, 2008.
7. The winding up of LLP is either voluntary or by the High Court.

(d) The number of firms converted to the LLP during the last three years, state-wise is as per annexure attached.