



RUKMINI DEVI

Institute of Advanced Studies

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Guest Lecture of MSME on Limited Liability Partnership

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| Topic : | Limited Liability Partnership by Mr. Anil Kumar Sharma from NCR Polymers & Chemicals, Noida. |
| Date of event : | September 2,2011 |
| Aim of the Event | This session was organized to explain the concept of LLP (Limited Liability Partnership) to students so that when they start their own enterprise, they can be benefited by the concept of partnership & business. |
| Description of the event | <p>The session consisted of a discussion on the concept of limited liability partnership. Mr. Anil discussed the following concepts with students:</p> <ul style="list-style-type: none">• What is LLP?• It is the hybrid of corporate & partnership business.• It allows the benefits of limited liability with flexibility of organizing the internal business. <p>Various features of LLP was discussed which are as follows:</p> <ul style="list-style-type: none">• Non applicability of partnership act• Body corporate• Separate legal identity• Perpetual succession• Only with profit motive |

- Limited liability of partners.

There are various benefits in LLP as compared to a firm .These benefits are:

- Limited liability
- Attracts investment from firms.
- Unlimited partners
- Partners are not the agents of other partner.

Also there are several benefits as compared to companies:

- Flexibility to manage at own will
- No restriction on related party transaction
- Low cost of formation

Example ruchi soya & IOC signed LLP agreement.

LLP also includes strict formalities at the time of formation, these are

- Heavy penalty for non filling
- Any wrongful act of partner in the normal course of business may wind the LLP.
- In case of fraud, liability may extend to personal assets of the partners.
- In case of loss, partners have to bring money to prove the solvency.

The concept of Limited liability partnership was discussed in detail and the session was also witnessed by a question answer session wherein students asked various questions which would eventually help them in incorporating their own enterprise with the application of the concept of limited liability partnership.