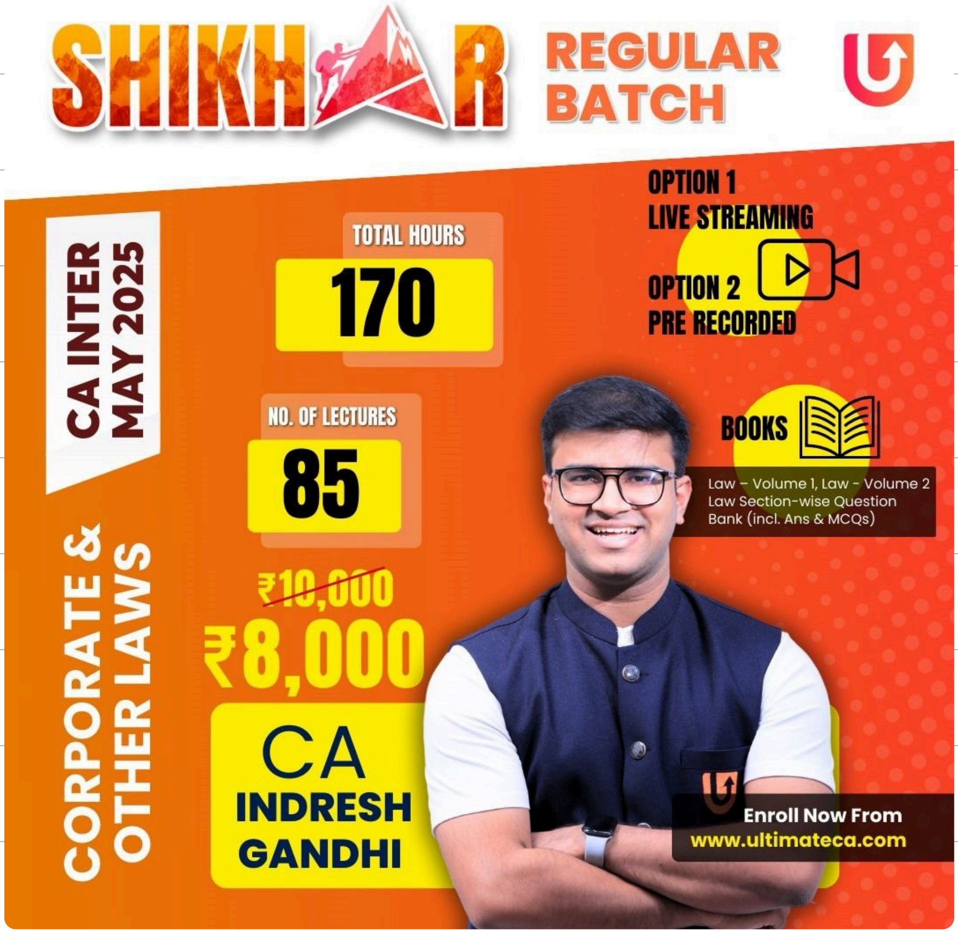
SHIKHAR
REGULAR BATCH
CA INTER MAY 2025
CORPORATE & OTHER LAWS
TOTAL HOURS
170
NO. OF LECTURES
85
₹10,000
₹8,000
CA INDRESH GANDHI
OPTION 1
LIVE STREAMING
OPTION 2
PRE RECORDED
BOOKS
Law - Volume 1, Law - Volume 2
Law Section-wise Question Bank (incl. Ans & MCQs)
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What is law?

Act	Rules	Case law
It is set of Rules passed by Parliament.	change made in certain part of act when open end.	Incase of Dispute or ambiguity in act court cases are useful.

(Ammend karna aasan hai)

Indian constitution

↓

7th schedule (Total 12)

↓

Power Allocate

central govt	state govt	c&t sg
union list	state list	concurrent
Parliament	MLA's	
MP's	Vidhan Sabha	

MCA
↓
CO Act
LLP

lok sabha

Rajya sabha

How Act is made?

Act
↑
2 sign

Approval

President

Problem → Bill

↓

- Introduction stage

- Discussion

- Voting stage

↓

majority → RS

3 stages

Act → Execute + Implement

↳ IAS officers

LLP Act 2008

Approval: 7 Jan 2009 - President.

Applicable: whole of India

Why?

CO

LL

+

Flexibility

Partnership

LLP

LLP Act

81 sections

4 schedule

I - LLP and Partners - mutual Rights & Duties

II - PF → LLP

III - Pvt co → LLP

IV - unlisted Public co → LLP

Meaning :

- New Form having limited liablity
- Alternative corporate Business vehicle
- Provides Benefit of limited liablity at low compliance cost
- Allows partner the Flexibility of organising Internal structure
- liablity — LLP : Full Extent of its asset

  ↓

  Partner - limited upto Agreed contribution
- Hybrid Form < co / Partnership

Definition

Sec 2(1)(a) – Address

- Partner
  - ↓ Residence
- B/C
  - ↓ Registered office

Sec 2(1)(d) Body corp (B/C)

- CO
  - Indian CO
  - Foreign CO
- LLP
  - Indian
  - Foreign

Do not Include

1. Corp sole
2. Coop. society
3. B/C – CG

Sec 2(1)(e) **Business**

Trade
Profession
service
occupation

CG Notify
Exclude

Section 2(1)(b) — CA — Person – CA
CA Act

sec 2(1)(k) Entity

BIC
Firm
(IPA 1932)

sec 2(1)(e) Financial year

1 April – 31 March

LLP – Inc after 30 Sept
31 March of Next Following year

sec 2(1)(m) Foriegn LLP

Incorporate → O/s India

POB → India

sec 2(1)(n) : LLP → Inc under this act

sec 2(1)(o) : LLP Agrement

↓

written Agreement

Bet^n Partners

LLP + Partners

mutual Rights and Duties

ULCA

6 Partners

sec 2 (1) (ta) : small LLP

contribution ≤ 25L + T/O ≤ 40L

Characteristic of LLP

① LLP is Body corp.

② Perpetual sucession - Irrespective of changes in Partner, LLP can continue its operation

③ Seprate legal Entity : LLP is liable to Full Extend of Asset and liablity

④ mutual Agency :
Partners are agent of LLP but not agents of other Partner

⑤ LLP Agreement : mutual Rights and Obligation of Partners are governed by LLP Agreement

⑥ LLP is Artifical Person - can hold Property in its name

7 common seal

- Not mandatory
- If it have one then it

Remains in custody of official person and shall be used in presence of atleast 2 DP.

8. Partners liability limited upto Agreed capital contribution

9. mgmt of LLP is done by partners

10. min - 2
max - No limit on Partners

11. LLP is Formed for Business purpose and not charitable purpose

Advantages of LLP

- Organise and operates on Agreement
- Flexibility
- Easy to Form
- limited liability
- Flexible capital Structure

Sec 5: Partners

An Individual or B/C can become partners in LLP

However Individual shall not be Eligible

- Found unsound by court
- undischarge Insolvent
- has applied to be adjudicated as Insolvent

Sec 6: Min Number of Partners

— Atleast 2 Partners

- If Number is Reduced below 2 and LLP carries Business for more than 6 m then Partner shall be Personally liable.

Sec 7 : Designated Partner

① Atleast 2 Partner who are Individual and atleast 1 - ROI ✓

If in LLP all partners are B/C or one or more B/C, atleast 2 Individual who are partner of LLP or Nominee of such B/C shall be DP

ROI - Resides in India ≥ 120 Days

② If Inc doc states - the DP ✓ or states that Each of partner

Shall be DP then such Person
Shall be DP Respectively

③ Prior consent of DP
④ Every DP shall obtain DPIN from CG

Liabilities of DP

- Responsible for all compliance of acts to be done by LLP — Filing Return, statement Report
- liable for Penalty

Changes in DP

① Vacancy — Appoint → New DP — 30D — Not Appointed → All Partner = DP ✓

②

Sec 11 : Incorporation of LLP

made By : Advo / CA / CS / CMA – Practise
+
only 1 – subscribe Inc Doc
Req of Act – comply ✓
LLP 2008

makes a stament
False Not true
Punish Jail – upto 2 yrs
+
Fine – 10000 to 5L

Two or more
Person associate
Business
subscribe
Name
Inc Doc

Statement
+
Inc DOC

ROC

Sec 12 14 Days

Register – Inc DOC
+
COR – Issue

sign? – official seal
+
conclusive Evidence ✓

It shall state following

• Name	(IJ LLP)
• Business	(Bakery)
• Address of Reg office	
• Name + Adress – Partner	
• " " – DP	
• such Info – Prescribe	

Sec 13 Registered office of LLP and change

① Every LLP shall have Reg. office where all comm and Notice shall be Recevied

② A Doc may be served on LLP / Partner at R.O / any address Declare by LLP

③ Change of POB → File Form to ROC

Sec 14 : Effect of Registration

LLP is capable of

- Sue or being sued
- Having common seal of Decides to do so
- Acquiring holding Disposing

Property - Tangible / Intangible Etc

Sec 15: Name

- Every LLP shall have in its Name

Limited Liability Partnership / LLP

- LLP → Name ×
(In opinion of CG)

Undesirable (OR) Identical / too Nearly Resemble with that of Other LLP / Co

Sec 16: Reservation of Name

Person $\xrightarrow[\text{Fees}]{\text{Appln +}}$ ROC → Reserve

Application ———— 3m

Sec 17: Change of Name of LLP

LLP is Registered with a Name

Identical

Too Resemble

→ Any other co / LLP

→ Reg. Trade mark of Proprietor

Application within 3 yr of Inc LLP

CG

Order - change Name within 3 m

LLP - Change Name

- change Inform ROC

15D

within 30 Days

New COR

LLP - Does not change Name

CG allot New Name

Sec 22 : Eligibility to be Partner

Person

↓

Subscribe Name to Inc Doc

Any Other

↓

LLP Agreement

Sec 23: Relationship of Partners

Mutual Rights + Duties

↓

LLP Agreement

LLP Agreement + Changes

↓

File to ROC

LLP A ×

↓

Sch I

Agreement b4 Inc

↓

Impose Obligation

↓

Ratified by all

Sec 24 : Cessation of Partnership Int

When Partner ceases

1. Death
2. Dissoln of LLP
3. LLP - Insolvent
4. Partner
   - I ✓
   - Applied
   - I ✓
5. Voluntary
   - Agreement
   - LLPA ×
     ↓
     Notice
     30 Days
     to Partners

Liability of Partner who has ceased to be Partner

↓

- Not Discharged from any Obligation which he Incurred while he was Partner
- He is Regarded as partner until PIN is given & ROC is informed

Rights

1. Partner / LR will Receive
   - Contribution
   - \+ Pft Accum
   - (−) loss Accum
   - ×××
2. No Right to influence in mgmt

Sec 25: Registration of Changes in Partner

① Partner $\xrightarrow[\text{15 Days}]{\text{Inform}}$ LLP

Name Address change

(contravene - 10000)

② LLP $\xrightarrow[\text{30 Days}]{}$ ROC

① Partner cease / admitted
② change in Name / Address of Partner

(contra - 10000 - LLP)

③ LLP → ROC

Notice

Prescribe Form

DP

sign + authenticate

Incoming P

consent

4

Person ceases to be Partner

Inform

ROC Demand yes

confirmation

LLP

Reply ✓ x 15 Days

sec 26: Partner

LLP | Agent ✓

Other Partner

sec 27: Extend of liability of Partner

1 LLP is not bound by acts of Partner

If

Partner has not authority to act for LLP

+

a) Third Person knows that Partner has no authority

OR

b) Does not believe / know that he is Partner of LLP

② LLP liable for acts of Partner done in OCB

③ Obligation of LLP are sole Obligation of LLP. liability of LLP shall be liability of LLP & met out from its Property sec 28: liablity of Partner

- Not Personally liable merely becoz he is Partner
- wrongful act / omission
  - Personally liable
  - other partner act → Not liable

sec 29: Partner by holding out

- Any Person who by words or conduct Represent himself or Permits himself to Represented as Partner of LLP
- is liable to any Person
- who has Faith on any of such

Representation has given credit to the LLP whether Representation is received or not to such person

- However when LLP has received any such credit it shall be liable to such amt

- After Partner's Death though LLP is continued with same Name in such case too LR shall not be liable

Sec 30 : Unlimited liablity incase of Fraud

Incase of Fraud

↓

Act - Partner + LLP

Intention to Defraud

↓

liablity · Unlimited

Act carried out by partner

Authorised act

↓

LLP liable

Not autho

↓

LLP Not liable

- LLP/ DP/ Any Partner

$\xrightarrow{\text{Damages}}$ Aggrieved Party

Sec 31: Whistle Blowing

- Court / Tribunal may Reduce / waive any Penalty if Partner / Employee Provides useful Information that leads to conviction

- Any such Person shall not be Discharged / Demoted / suspended / harassed

Financial Disclosure

Sec 34: maintainance of BOA

- Proper BOA - cash / accrual
- Double Entry System
- RO

② FY 6m

↓

statement of A/c & solvency

sign DP

↓

③ File to ROC along with Fees

④ A/C - Audited

CG may Exempt

Penalty

③

LLP - 100/ day max 1L

DP - 100/ Day max 5L

① ② ④

LLP- 25000 - 500000

DP - 10000 - 1 lakh

Sec 34A :

ICAI $\xrightarrow[\text{Recomnt}]{\text{AS | SA}}$ NFRA + CG } Prescribe

Sec 35 : Annual Return

FY

GOD [30 May]

→ AR → ROC

Non Filing

LCP

100 | Day — 100000

DP

100 / Day — 50000

Sec 36 : Inspection of DOC kept by ROC

- Inc DOC
- Name + Address - Partner
- SAS
- AR

} Inspection ✓

Fees to ROC

sec 37 : Penalty for False statement in any Return, statement, DOC

Any Person
- makes False statement
- knowing omits material Fact

Jail upto 2 yrs

Fine
1L - 5L

sec 38 : Power to Registrar to Obtain Info

- ROC may Require any Partner (Former / Present) / DP / Employee to answer any question / make any Declaration / Details in writing in Reasonable time

- Info ⊗

ROC $\xrightarrow[\text{summon}]{}$ any person to appear b4 him / Inspector / other person

- Fails to comply : ₹ 2000 – ₹ 25000

Compounding of offences (Sec.39):

- ✓ Who can compound Offences : Regional director((RD)/ other officer not below rank of RD.
- ✓ Which offences are compoundable: The offences which are punishable by fine only.
- ✓ Amount paid in compounding offences – Ranges between Minimum fine to maximum fine for such offence.
- ✓ In case of subsequent offences:- any second/subsequent offence committed within the period of 3 years shall not be compoundable.
- ✓ If subsequent offence committed after period of 3 years – then it can be compounded.
- ✓ If Offence is compounded – then intimation should be given to registrar in 7 days of compounding.
- ✓ If Offence compounded before institution of prosecution – no prosecution. After the institution of prosecution – registrar shall give notice in writing to the court.

dApplication of compounding → Filed with registrar who forwards the same along with his comments to RD. → Regional director can ask to file/register return, account/any other documents or payment of fees. If order is not complied with – Fine – 2 x Max fine for offence.

Partner's transferable interest (Sec. 42):

- ✓ Partner can transfer right to share profits and losses of LLP either wholly or in part.
- ✓ Transfer of any right does not lead to disassociation of partner/dissolution/winding up of LLP.
- ✓ Transfer of right does not entitle the transferee/assignee participate in management or conduct of activities.

Conversion Into LLP:

Conversion into LLP:-

- ✓ From Firm into LLP: As per provisions of this chapter & 2nd schedule.(Sec. 55)
- ✓ From private co. into LLP: As per provisions of this chapter & 3rd schedule. (Sec. 56)
- ✓ From unlisted public co. to LLP: As per provisions of this chapter & 4th schedule. (Sec. 57)

Registration and effect of conversion (Sec. 58): 1) The Registrar after satisfaction that all the respective schedules and provisions of act have been complied with - Issue a certificate of registration.
2) LLP shall then within 15 days inform registrar of firm/companies of such conversion.
3) Upon conversion, LLP will be bound by respective schedules as applicable.
4) Upon conversion, on and from date of registration - effects of conversion shall be specified in respective schedule.

Effect of registration:
1. LLP by name specified in the certificate of registration shall come into existence.
2. All the tangible and intangible property, assets, liabilities of firm/company will be transferred to LLP without further assurance, act or deed.
3. The firm/company shall be deemed to be dissolved and removed from records of registrar of firm/co.

Foreign LLP (Sec. 59): CG may make rules for establishment of place of business within India and carrying on their business by applying/incorporating Companies act or any other act with necessary modifications.

Compromise Or Arrangement Of LLP [Sec. 60]

Where a compromise is proposed between LLP and its creditors/ LLP and its partner: Application to made to tribunal by :- Any Creditor/ Any partner/Liquidator (incase the LLP is being wound up).

→ Tribunal will order a meeting on of creditors /partners as case may be to held in the manner as prescribed or as tribunal directs.

→ If a majority .i.e three-fourths in value of creditor/ partner agree to compromise/ arrangement - then tribunal sanctions the same. It shall be binding on all the creditors/all the partners.

→ However, No order will be sanctioned unless tribunal is satisfied that by affidavit or otherwise all the material facts including latest financial position and pendency of any investigation.

→ Order made by tribunal is filed with Registrar within 30 days after the order is made. Such order will be effective only after it is filed.

→ Contravention of provisions: LLP and its designated partner - Penalty: Rs.10,000 and continuing default of Rs.100/day subject to max. Rs.1 lakh for LLP and Rs. 50000 for designated partner.
Tribunal can at any time stay the commencement / continuation of any suit against LLP.

Power of Tribunal to enforce compromise or arrangement (Sec. 61): Tribunal makes an order under section 60 – shall have power to supervise the carrying out of compromise or arrangement and may give such directions/ make such modifications, as necessary. Also, if tribunal thinks that compromise cannot be worked out then, it can issue the winding up order

Provisions for facilitating reconstruction or amalgamation of LLP [Sec. 62]:

Where application is made to tribunal u/s 60 for sanctioning of compromise or arrangement and it is shown that:

1) Compromise or arrangement has proposed a scheme of reconstruction/ amalgamation of any 2 or more LLP
2) Under scheme the whole or any part of undertaking, property or liabilities of any LLP is transferred to other LLP. Tribunal may order/sanction make all the provision all or any :-
   i. The transfer to transferee LLP of whole/part of undertaking of any transferor LLP
   ii. The continuation by or against the transferee LLP of any legal proceedings pending by or against any transferor LLP
   iii. The dissolution, without winding up, of any transferor LLP
   iv. Provision to be made for any person who within such time and in such manner as the Tribunal directs, dissent from the compromise or arrangement;
   v. such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

No compromise or arrangement proposed shall be sanctioned by the Tribunal unless the Tribunal has received a report from the Registrar that the affairs of the limited liability partnership have not been conducted in a manner prejudicial to the interests of partners or public interest.

3) Where an order under this section provides for the transfer of any property or liabilities, then, by virtue of the order, that property shall be transferred to and vest in, and those liabilities shall be transferred to and become the liabilities of, the transferee limited liability partnership; and in the case of any property, if the order so directs, freed from any charge which is, by virtue of the compromise or arrangement, to cease to have effect.
4) Every order shall be filed with registrar within 30 days of making of such order. Default of this :- Penalty for LLP and its every designated partner – Rs. 10000. Continuing default – Rs. 100/day subject to max. Rs. 1lakh for LLP and Rs. 50000 for designated partner.
5) LLP shall not be amalgamated with a company.