

**LIMITED LIABILITY
PARTNERSHIP ACT, 2008**
**[AS AMENDED BY THE LIMITED LIABILITY
PARTNERSHIP (AMENDMENT) ACT, 2021]**
[6 OF 2009]

*An Act to make provisions for the formation and regulation of limited liability partnerships and for matters connected therewith or incidental thereto.
BE it enacted by Parliament in the Fifty-ninth Year of the Republic of India as follows :—*

CHAPTER I

PRELIMINARY

Short title, extent and commencement.

1. (1) This Act may be called the Limited Liability Partnership Act, 2008.
(2) It extends to the whole of India.
(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette¹, appoint :

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

1. **S.O. 891(E), dated 31-3-2009, as amended by, GSR 549(E), dated 10-7-2012.** - In exercise of the powers conferred by sub-section (3) of section 1 of the Limited Liability Partnership Act, 2008 (6 of 2009), the Central Government hereby appoints the 31st day of March, 2009 as the date on which the following sections of the said Act shall come into force, namely:—

<i>Sl. No.</i>	<i>Sections</i>
1.	Section 1
2	Section 2 except clauses (c) and (u) of its sub-section (1)
3.	Sections 3 to 30
4.	Section 31 except to the extent of its application in context of the 'Tribunal'
5.	Sections 32 to 50
5A.	Section 51
6.	Sections 52 to 54
7.	Sections 59 to 62
7A.	Sections 63, 64 and 65
8.	Sections 66 to 71

(Contd. on page 1.8)

Definitions.

2. (1) In this Act, unless the context otherwise requires,—

- ²(a) “address”, in relation to a partner of a limited liability partnership, means—
- (i) if an individual, his usual residential address; and
 - (ii) if a body corporate, the address of its registered office;
- ²(b) “advocate” means an advocate as defined in clause (a) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);
- (c) “Appellate Tribunal” means the National Company Law Appellate Tribunal constituted under ³[section 410] of ⁴[the Companies Act, 2013 (18 of 2013)];
- ²(d) “body corporate” means a company as defined in ⁵[clause (20) of section 2] of ⁴[the Companies Act, 2013 (18 of 2013)] and includes—
- (i) a limited liability partnership registered under this Act;
 - (ii) a limited liability partnership incorporated outside India; and
 - (iii) a company incorporated outside India,
- but does not include—
- (i) a corporation sole;
 - (ii) a co-operative society registered under any law for the time being in force; and
 - (iii) any other body corporate (not being a company as defined in ⁵[clause (20) of section 2] of ⁴[the Companies Act, 2013 (18 of 2013)] or a limited liability partnership as defined in this Act), which the Central Government may, by notification in the Official Gazette, specify in this behalf;
- ²(e) “business” includes every trade, profession, service ⁶[and occupation except any activity which the Central Government may, by notification, exclude];

(Contd. from page 1.7)

Sl. No.	Sections
9.	Sections 74 to 80
10.	Section 81 except clause (b) to the extent of its application to sections 51, 63 and 64 and clause (c)
11.	First Schedule

S.O. 1323(E), dated 22-5-2009 - In exercise of the powers conferred by sub-section (3) of section 1 of the Limited Liability Partnership Act, 2008 (6 of 2009), the Central Government hereby appoints the 31st day of May, 2009 as the date on which the provisions of sections 55 to 58, Second Schedule, Third Schedule and Fourth Schedule of the said Act shall come into force.

2. Enforced with effect from 31-3-2009.
3. Substituted for “sub-section (1) of section 10FR” by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**.
4. Substituted for “the Companies Act, 1956 (1 of 1956)”, *ibid*.
5. Substituted for “section 3”, *ibid*.
6. Substituted for “and occupation”, *ibid*.

- ^{7(f)} “chartered accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- ^{7(g)} “company secretary” means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- ^{7(h)} “cost accountant” means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who has obtained a certificate of practice under sub-section (1) of section 6 of that Act;
- ⁷⁽ⁱ⁾ “Court”, with respect to any offence under this Act, means the Court having jurisdiction as per the provisions of section 77;
- ^{7(j)} “designated partner” means any partner designated as such pursuant to section 7;
- ^{7(k)} “entity” means any body corporate and includes, for the purposes of sections 18, 46, 47, 48, 49, 50, 52 and 53, a firm set-up under the Indian Partnership Act, 1932 (9 of 1932);
- ^{7(l)} “financial year”, in relation to a limited liability partnerships, means the period from the 1st day of April of a year to the 31st day of March of the following year:
- Provided** that in the case of a limited liability partnership incorporated after the 30th day of September of a year, the financial year may end on the 31st day of March of the year next following that year;
- ^{7(m)} “foreign limited liability partnership” means a limited liability partnership formed, incorporated or registered outside India which establishes a place of business within India;
- ⁷⁽ⁿ⁾ “limited liability partnership” means a partnership formed and registered under this Act;
- ^{7(o)} “limited liability partnership agreement” means any written agreement between the partners of the limited liability partnership or between the limited liability partnership and its partners which determines the mutual rights and duties of the partners and their rights and duties in relation to that limited liability partnership;
- ^{7(p)} “name”, in relation to a partner of a limited liability partnership, means—
- (i) if an individual, his forename, middle name and surname; and
 - (ii) if a body corporate, its registered name;
- ^{7(q)} “partner”, in relation to a limited liability partnership, means any person who becomes a partner in the limited liability partnership in accordance with the limited liability partnership agreement;

⁸(r) “prescribed” means prescribed by rules made under this Act;

⁹[(ra) “Regional Director” means a person appointed as such by the Central Government for the purposes of this Act or the Companies Act, 2013 (18 of 2013), as the case may be;]

¹⁰[(s) “Registrar” means a person appointed by the Central Government as Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, for the purposes of this Act or the Companies Act, 2013 (18 of 2013), as the case may be;]

⁸(t) “Schedule” means a Schedule to this Act;

⁹[(ta) “small limited liability partnership” means a limited liability partnership—

(i) the contribution of which, does not exceed twenty-five lakh rupees or such higher amount, not exceeding five crore rupees, as may be prescribed; and

(ii) the turnover of which, as per the Statement of Accounts and Solvency for the immediately preceding financial year, does not exceed forty lakh rupees or such higher amount, not exceeding fifty crore rupees, as may be prescribed; or

(iii) which meets such other requirements as may be prescribed, and fulfils such terms and conditions as may be prescribed;]

(u) “Tribunal” means the National Company Law Tribunal constituted under ¹¹[section 408] of ¹²[the Companies Act, 2013 (18 of 2013)].

(2) Words and expressions used and not defined in this Act but defined in ¹²[the Companies Act, 2013(18 of 2013)] shall have the meanings respectively assigned to them in that Act.

CHAPTER II

NATURE OF LIMITED LIABILITY PARTNERSHIP

Limited liability partnership to be body corporate.

⁸3. (1) A limited liability partnership is a body corporate formed and incorporated under this Act and is a legal entity separate from that of its partners.

(2) A limited liability partnership shall have perpetual succession.

8. Enforced with effect from 31-3-2009.

9. Inserted by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**.

10. Substituted, *ibid*. Prior to its substitution, clause (s) read as under :

“(s) “Registrar” means a Registrar, or an Additional, a Joint, a Deputy or an Assistant Registrar, having the duty of registering companies under the Companies Act, 1956 (1 of 1956);’

*Enforced with effect from 31-3-2009.

11. Substituted for “sub-section (1) of section 10FB”, *ibid*.

12. Substituted for “the Companies Act, 1956 (1 of 1956)”, *ibid*.

(3) Any change in the partners of a limited liability partnership shall not affect the existence, rights or liabilities of the limited liability partnership.

Non-applicability of the Indian Partnership Act, 1932.

¹³4. Save as otherwise provided, the provisions of the Indian Partnership Act, 1932 (9 of 1932) shall not apply to a limited liability partnership.

Partners

¹³5. Any individual or body corporate may be a partner in a limited liability partnership :

Provided that an individual shall not be capable of becoming a partner of a limited liability partnership, if—

- (a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
- (b) he is an undischarged insolvent; or
- (c) he has applied to be adjudicated as an insolvent and his application is pending.

Minimum number of partners.

¹³6. (1) Every limited liability partnership shall have at least two partners.

(2) If at any time the number of partners of a limited liability partnership is reduced below two and the limited liability partnership carries on business for more than six months while the number is so reduced, the person, who is the only partner of the limited liability partnership during the time that it so carries on business after those six months and has the knowledge of the fact that it is carrying on business with him alone, shall be liable personally for the obligations of the limited liability partnership incurred during that period.

Designated partners.

¹³7. (1) Every limited liability partnership shall have at least two designated partners who are individuals and at least one of them shall be a resident in India :

Provided that in case of a limited liability partnership in which all the partners are bodies corporate or in which one or more partners are individuals and bodies corporate, at least two individuals who are partners of such limited liability partnership or nominees of such bodies corporate shall act as designated partners.

Explanation.—For the purposes of this section, the term “resident in India” means a person who has stayed in India for a period of not less than one hundred and ¹⁴[twenty days during the financial year].

(2) Subject to the provisions of sub-section (1),—

- (i) if the incorporation document—
 - (a) specifies who are to be designated partners, such persons shall be designated partners on incorporation; or

13. Enforced with effect from 31-3-2009.

14. Substituted for “eighty-two days during the immediately preceding one year” by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**.

- (b) states that each of the partners from time to time of limited liability partnership is to be designated partner, every such partner shall be a designated partner;
 - (ii) any partner may become a designated partner by and in accordance with the limited liability partnership agreement and a partner may cease to be a designated partner in accordance with limited liability partnership agreement.
- (3) An individual shall not become a designated partner in any limited liability partnership unless he has given his prior consent to act as such to the limited liability partnership in such form and manner as may be prescribed.
- (4) Every limited liability partnership shall file with the Registrar the particulars of every individual who has given his consent to act as designated partner in such form and manner as may be prescribed within thirty days of his appointment.
- (5) An individual eligible to be a designated partner shall satisfy such conditions and requirements as may be prescribed.
- (6) Every designated partner of a limited liability partnership shall obtain a Designated Partner Identification Number (DPIN) from the Central Government and the provisions of ¹⁵[sections 153 to 159] (both inclusive) of ¹⁶[the Companies Act, 2013 (18 of 2013)] shall apply *mutatis mutandis* for the said purpose.

Liabilities of designated partners.

- ¹⁷8. Unless expressly provided otherwise in this Act, a designated partner shall be—
- (a) responsible for the doing of all acts, matters and things as are required to be done by the limited liability partnership in respect of compliance of the provisions of this Act including filing of any document, return, statement and the like report pursuant to the provisions of this Act and as may be specified in the limited liability partnership agreement; and
 - (b) liable to all penalties imposed on the limited liability partnership for any contravention of those provisions.

Changes in designated partners.

- ¹⁷9. A limited liability partnership may appoint a designated partner within thirty days of a vacancy arising for any reason and provisions of sub-section (4) and sub-section (5) of section 7 shall apply in respect of such new designated partner :

Provided that if no designated partner is appointed, or if at any time there is only one designated partner, each partner shall be deemed to be a designated partner.

Punishment for contravention of sections 7 ¹⁸[*] and 9.**

- ¹⁷10. (1) If the limited liability partnership contravenes the provisions of sub-section (1) of section 7, the limited liability partnership and its every partner shall be

15. Substituted for "sections 266A to 266G" by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**.

16. Substituted for "the Companies Act, 1956 (1 of 1956)", *ibid*.

17. Enforced with effect from 31-3-2009.

18. Figure " , 8" omitted by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**.

¹⁹[liable to a penalty of ten thousand rupees and in case of continuing contravention, with a further penalty of one hundred rupees for each day after the first during which such contravention continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for every partner of such limited liability partnership].

²⁰[(2) If the limited liability partnership contravenes the provision of sub-section (4) of section 7, such limited liability partnership and its every designated partner shall be liable to a penalty of five thousand rupees and in case of continuing contravention, with a further penalty of one hundred rupees for each day after the first during which such contravention continues, subject to a maximum of fifty thousand rupees for the limited liability partnership and twenty-five thousand rupees for its every designated partner.

(3) If the limited liability partnership contravenes the provisions of sub-section (5) of section 7 or section 9, such limited liability partnership and its every partner shall be liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one hundred rupees for each day after the first during which such contravention continues, subject to a maximum of one lakh rupees for the limited liability partnership and fifty thousand rupees for its every partner.]

CHAPTER III

INCORPORATION OF LIMITED LIABILITY PARTNERSHIP AND MATTERS INCIDENTAL THERETO

Incorporation document.

²¹11. (1) For a limited liability partnership to be incorporated,—

- (a) two or more persons associated for carrying on a lawful business with a view to profit shall subscribe their names to an incorporation document;
- (b) the incorporation document shall be filed in such manner and with such fees, as may be prescribed with the Registrar of the State in which the registered office of the limited liability partnership is to be situated; and
- (c) there shall be filed along with the incorporation document, a statement in the prescribed form, made by either an advocate, or a Company Secretary or a Chartered Accountant or a Cost Accountant, who is engaged in the formation of the limited liability partnership and by any one who subscribed his name to the incorporation document, that all the requirements of this Act and the rules made thereunder have been complied with, in respect of incorporation and matters precedent and incidental thereto.

19. Substituted for "punishable with fine which shall not be less than ten thousand rupees, but which may extend to five lakh rupees" by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**.

20. Sub-sections (2) and (3) substituted for sub-section (2), *ibid*. Prior to its substitution, sub-section (2) read as under :

"(2) If the limited liability partnership contravenes the provisions of sub-section (4) and sub-section (5) of section 7, section 8 or section 9, the limited liability partnership and its every partner shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees."

21. Enforced with effect from 31-3-2009.

- (2) The incorporation document shall—
- (a) be in a form as may be prescribed;
 - (b) state the name of the limited liability partnership;
 - (c) state the proposed business of the limited liability partnership;
 - (d) state the address of the registered office of the limited liability partnership;
 - (e) state the name and address of each of the persons who are to be partners of the limited liability partnership on incorporation;
 - (f) state the name and address of the persons who are to be designated partners of the limited liability partnership on incorporation;
 - (g) contain such other information concerning the proposed limited liability partnership as may be prescribed.
- (3) If a person makes a statement under clause (c) of sub-section (1) which he—
- (a) knows to be false; or
 - (b) does not believe to be true,

shall be punishable with imprisonment for a term which may extend to two years and with fine which shall not be less than ten thousand rupees but which may extend to five lakh rupees.

Incorporation by registration.

²²**12.** (1) When the requirements imposed by clauses (b) and (c) of sub-section (1) of section 11 have been complied with, the Registrar shall retain the incorporation document and, unless the requirement imposed by clause (a) of that sub-section has not been complied with, he shall, within a period of fourteen days—

- (a) register the incorporation document; and
- (b) give a certificate that the limited liability partnership is incorporated by the name specified therein.

(2) The Registrar may accept the statement delivered under clause (c) of sub-section (1) of section 11 as sufficient evidence that the requirement imposed by clause (a) of that sub-section has been complied with.

(3) The certificate issued under clause (b) of sub-section (1) shall be signed by the Registrar and authenticated by his official seal.

(4) The certificate shall be conclusive evidence that the limited liability partnership is incorporated by the name specified therein.

Registered office of limited liability partnership and change therein.

²²**13.** (1) Every limited liability partnership shall have a registered office to which all communications and notices may be addressed and where they shall be received.

(2) A document may be served on a limited liability partnership or a partner or designated partner thereof by sending it by post under a certificate of posting or by registered post or by any other manner, as may be prescribed, at the registered

22. Enforced with effect from 31-3-2009.

office and any other address specifically declared by the limited liability partnership for the purpose in such form and manner as may be prescribed.

(3) A limited liability partnership may change the place of its registered office and file the notice of such change with the Registrar in such form and manner and subject to such conditions as may be prescribed and any such change shall take effect only upon such filing.

²³[(4) *If any default is made in complying with the requirements of this section, the limited liability partnership and its every partner shall be liable to a penalty of five hundred rupees for each day during which the default continues, subject to a maximum of fifty thousand rupees for the limited liability partnership and its every partner.*]

Effect of registration.

²⁴**14.** On registration, a limited liability partnership shall, by its name, be capable of—

- (a) suing and being sued;
- (b) acquiring, owning, holding and developing or disposing of property, whether movable or immovable, tangible or intangible;
- (c) having a common seal, if it decides to have one; and
- (d) doing and suffering such other acts and things as bodies corporate may lawfully do and suffer.

Name.

²⁴**15.** (1) Every limited liability partnership shall have either the words “limited liability partnership” or the acronym “LLP” as the last words of its name.

(2) No limited liability partnership shall be registered by a name which, in the opinion of the Central Government is—

- (a) undesirable; or

²⁵[(b) *identical or too nearly resembles to that of any other limited liability partnership or a company or a registered trade mark of any other person under the Trade Marks Act, 1999 (47 of 1999).*]

Reservation of name.

²⁴**16.** (1) A person may apply in such form and manner and accompanied by such fee as may be prescribed to the Registrar for the reservation of a name set out in the application as—

23. Substituted by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**. Prior to its substitution, sub-section (4) read as under :

“(4) If the limited liability partnership contravenes any provisions of this section, the limited liability partnership and its every partner shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees.”

24. Enforced with effect from 31-3-2009.

25. Substituted by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**. Prior to its substitution, clause (b) read as under :

“(b) identical or too nearly resembles to that of any other partnership firm or limited liability partnership or body corporate or a registered trade mark, or a trade mark which is subject matter of an application for registration, of any other person under the Trade Marks Act, 1999 (47 of 1999).”

- (a) the name of a proposed limited liability partnership; or
 - (b) the name to which a limited liability partnership proposes to change its name.
- (2) Upon receipt of an application under sub-section (1) and on payment of the prescribed fee, the Registrar may, if he is satisfied, subject to the rules prescribed by the Central Government in the matter, that the name to be reserved is not one which may be rejected on any ground referred to in sub-section (2) of section 15, reserve the name for a period of three months from the date of intimation by the Registrar.

²⁶**[Rectification of name of limited liability partnership.]**

17. (1) *Notwithstanding anything contained in sections 15 and 16, if through inadvertence or otherwise, a limited liability partnership, on its first registration or on its registration by a new name, is registered by a name which is identical with or too nearly resembles to—*

- (a) *that of any other limited liability partnership or a company; or*
- (b) *a registered trade mark of a proprietor under the Trade Marks Act, 1999 (47 of 1999),*

as is likely to be mistaken for it, then on an application of such limited liability partnership or proprietor referred to in clauses (a) and (b) respectively or a company, the Central Government may direct that such limited liability partnership to change its name or new name within a period of three months from the date of issue of such direction:

Provided *that an application of the proprietor of the registered trade marks shall be maintainable within a period of three years from the date of incorporation or registration or change of name of the limited liability partnership under this Act.*

(2) *Where a limited liability partnership changes its name or obtains a new name under sub-section (1), it shall within a period of fifteen days from the date of such change, give notice of the change to Registrar along with the order of the Central Government, who shall carry out necessary changes in the certificate of incorporation and within thirty days of such change in the certificate of incorporation, such*

26. Substituted by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**. Prior to its substitution, section 17 read as under :

*“*17. Change of name of limited liability partnership.—(1) Notwithstanding anything contained in sections 15 and 16, where the Central Government is satisfied that a limited liability partnership has been registered (whether through inadvertence or otherwise and whether originally or by a change of name) under a name which—*

- (a) *is a name referred to in sub-section (2) of section 15; or*
- (b) *is identical with or too nearly resembles the name of any other limited liability partnership or body corporate or other name as to be likely to be mistaken for it,*

the Central Government may direct such limited liability partnership to change its name, and the limited liability partnership shall comply with the said direction within three months after the date of the direction or such longer period as the Central Government may allow.

(2) *Any limited liability partnership which fails to comply with a direction given under sub-section (1) shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to five lakh rupees and the designated partner of such limited liability partnership shall be punishable with fine which shall not be less than ten thousand rupees but which may extend to one lakh rupees.”*

**Enforced with effect from 31-3-2009.*

limited liability partnership shall change its name in the limited liability partnership agreement.

(3) If the limited liability partnership is in default in complying with any direction given under sub-section (1), the Central Government shall allot a new name to the limited liability partnership in such manner as may be prescribed and the Registrar shall enter the new name in the register of limited liability partnerships in place of the old name and issue a fresh certificate of incorporation with new name, which the limited liability partnership shall use thereafter:

Provided that nothing contained in this sub-section shall prevent a limited liability partnership from subsequently changing its name in accordance with the provisions of section 16.]

Application for direction to change name in certain circumstances.

18. ²⁷[***]

Change of registered name.

²⁸**19.** Any limited liability partnership may change its name registered with the Registrar by filing with him a notice of such change in such form and manner and on payment of such fees as may be prescribed.

Penalty for improper use of words “limited liability partnership” or “LLP”.

²⁸**20.** If any person or persons carry on business under any name or title of which the words “Limited Liability Partnership” or “LLP” or any contraction or imitation thereof is or are the last word or words, that person or each of those persons shall, unless duly incorporated as limited liability partnership, be punishable with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees.

Publication of name and limited liability.

²⁸**21.** (1) Every limited liability partnership shall ensure that its invoices, official correspondence and publications bear the following, namely :—

- (a) the name, address of its registered office and registration number of the limited liability partnership; and
- (b) a statement that it is registered with limited liability.

27. Omitted by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**. Prior to its omission, section 18 read as under :

“*18. *Application for direction to change name in certain circumstances.*—(1) Any entity which already has a name similar to the name of a limited liability partnership which has been incorporated subsequently, may apply, in such manner as may be prescribed, to the Registrar to give a direction to any limited liability partnership, on a ground referred to in section 17 to change its name.

(2) The Registrar shall not consider any application under sub-section (1) to give a direction to a limited liability partnership on the ground referred to in clause (b) of sub-section (1) of section 17 unless the Registrar receives the application within twenty-four months from the date of registration of the limited liability partnership under that name.”

*Enforced with effect from 31-3-2009.

28. Enforced with effect from 31-3-2009.

²⁹[*(2) If the limited liability partnership contravenes the provisions of this section, the limited liability partnership shall be liable to a penalty of ten thousand rupees.*]

CHAPTER IV

PARTNERS AND THEIR RELATIONS

Eligibility to be partners.

³⁰**22.** On the incorporation of a limited liability partnership, the persons who subscribed their names to the incorporation document shall be its partners and any other person may become a partner of the limited liability partnership by and in accordance with the limited liability partnership agreement.

Relationship of partners.

³⁰**23.** (1) Save as otherwise provided by this Act, the mutual rights and duties of the partners of a limited liability partnership, and the mutual rights and duties of a limited liability partnership and its partners, shall be governed by the limited liability partnership agreement between the partners, or between the limited liability partnership and its partners.

(2) The limited liability partnership agreement and any changes, if any, made therein shall be filed with the Registrar in such form, manner and accompanied by such fees as may be prescribed.

(3) An agreement in writing made before the incorporation of a limited liability partnership between the persons who subscribe their names to the incorporation document may impose obligations on the limited liability partnership, provided such agreement is ratified by all the partners after the incorporation of the limited liability partnership.

(4) In the absence of agreement as to any matter, the mutual rights and duties of the partners and the mutual rights and duties of the limited liability partnership and the partners shall be determined by the provisions relating to that matter as are set out in the First Schedule.

Cessation of partnership interest.

³⁰**24.** (1) A person may cease to be a partner of a limited liability partnership in accordance with an agreement with the other partners or, in the absence of agreement with the other partners as to cessation of being a partner, by giving a notice in writing of not less than thirty days to the other partners of his intention to resign as partner.

(2) A person shall cease to be a partner of a limited liability partnership—

(a) on his death or dissolution of the limited liability partnership; or

²⁹ Substituted by the Limited Liability Partnership (Amendment) Act, 2021, w.e.f. **1-4-2022**. Prior to its substitution, sub-section (2) read as under :

“(2) Any limited liability partnership which contravenes the provisions of sub-section (1) shall be punishable with fine which shall not be less than two thousand rupees but which may extend to twenty-five thousand rupees.”

³⁰ Enforced with effect from 31-3-2009.

- (b) if he is declared to be of unsound mind by a competent court; or
 - (c) if he has applied to be adjudged as an insolvent or declared as an insolvent.
- (3) Where a person has ceased to be a partner of a limited liability partnership (hereinafter referred to as “former partner”), the former partner is to be regarded (in relation to any person dealing with the limited liability partnership) as still being a partner of the limited liability partnership unless—
- (a) the person has notice that the former partner has ceased to be a partner of the limited liability partnership; or
 - (b) notice that the former partner has ceased to be a partner of the limited liability partnership has been delivered to the Registrar.
- (4) The cessation of a partner from the limited liability partnership does not by itself discharge the partner from any obligation to the limited liability partnership or to the other partners or to any other person which he incurred while being a partner.
- (5) Where a partner of a limited liability partnership ceases to be a partner, unless otherwise provided in the limited liability partnership agreement, the former partner or a person entitled to his share in consequence of the death or insolvency of the former partner, shall be entitled to receive from the limited liability partnership—
- (a) an amount equal to the capital contribution of the former partner actually made to the limited liability partnership; and
 - (b) his right to share in the accumulated profits of the limited liability partnership, after the deduction of accumulated losses of the limited liability partnership, determined as at the date the former partner ceased to be a partner.
- (6) A former partner or a person entitled to his share in consequence of the death or insolvency of the former partner shall not have any right to interfere in the management of the limited liability partnership.

Registration of changes in partners.

- ³¹**25.** (1) Every partner shall inform the limited liability partnership of any change in his name or address within a period of fifteen days of such change.
- (2) A limited liability partnership shall—
- (a) where a person becomes or ceases to be a partner, file a notice with the Registrar within thirty days from the date he becomes or ceases to be a partner; and
 - (b) where there is any change in the name or address of a partner, file a notice with the Registrar within thirty days of such change.
- (3) A notice filed with the Registrar under sub-section (2)—
- (a) shall be in such form and accompanied by such fees as may be prescribed;
 - (b) shall be signed by the designated partner of the limited liability partnership and authenticated in a manner as may be prescribed; and

31. Enforced with effect from 31-3-2009.