

Company vis-à-vis a Limited Liability Partnership (LLP)

Sr. No	Point of Distinction	Company	Limited Liability Partnership
1.	Name	<p>The name of company ends with the words Limited or Private Limited as is the case.</p> <p>Example: ABC Private Limited</p>	<p>The name of any Limited Liability Partnership ends with the words LLP.</p> <p>Example: ABC Electronics LLP</p>
2.	Mode of Incorporation	<p>The brief details about the incorporation process of the company is given below:</p> <p>a.) Processing of the Digital Signatures for the respective Directors.</p> <p>b.) Filing of the DIR 3 Forms for the Directors of the company, if they are not having their respective DIN's.</p> <p>c.) Filing of E-Form INC 1 for making an application for checking the availability of the desired name.</p> <p>d.) Filing of E-Forms for the following purposes:</p> <ul style="list-style-type: none"> • Application or declaration for incorporation of a company • Notice of situation of registered office 	<p>The brief details about the incorporation process of a Limited Liability Partnership (LLP) is given below:</p> <p>a.) Processing of the Digital Signatures for the respective Designated Partners.</p> <p>b.) Filing of the DIR 3 Forms for the respective Designated Partners of the LLP, if they are not having their respective DIN's.</p> <p>c.) Filing of the E-Form 1 for the application of reservation of the name for the proposed LLP.</p> <p>d.) Filing of the E-Form 2 (related to The Incorporation Document and the Subscriber's Statement)</p> <p>e.) Filing of the E-Form 3 for providing information with regard to the Limited Liability Partnership Agreement and if any changes to the same are</p>

		<ul style="list-style-type: none"> • Particulars of the proposed Directors of the company. • Other declarations and forms • Undertakings 	<p>made or not.</p> <p>f.) Filing of the E-Form 4 for providing details related to each Designated Partner of the LLP.</p>
3.	Minimum Capital / Contribution	No minimum paid-up capital requirement.	There is no limit for any minimum Contribution from the Designated Partners.
4.	Liability	The liability with respect to a Company is limited to the amount of the unpaid capital.	The liability with respect to a Limited Liability Partnership is limited to the extent of the contribution to the LLP.
5.	Main Governing Document	The main governing document for the company is the Memorandum of Association and the Articles of Association for the company.	The main governing document for any LLP is the LLP agreement drafted between the Designated Partners.
6.	Number of shareholders / Partners	The minimum number of members for a Private Company is 2 and maximum 200, and for a Public Company, the minimum is 7 and the maximum is unlimited.	There should be minimum 2 Designated Partners in the LLP and the maximum number is unlimited.
7.	Meetings	For any company, it is mandatory to have 4 Board Meetings in a year and an Annual General Meeting every year.	There are no such provisions related to the meeting of the Designated Partners of the LLP.
8.	Annual Filing	The Annual Accounts for the company, i.e. the Balance Sheet and the Profit and Loss Account for the year ended	With regards to the Financial Disclosures related to the LLP, Every limited liability partnership shall keep books

		<p>should be filed every year for the company along with the Annual Return for the company. Hence, the Annual General Meeting of the company should be held within 6 months of the date on which the financial year of the company ends and the same should be filed electronically. Apart from that Annual Return through E-Form within 30 days of the AGM.</p> <p>Other Forms as per event – which requires filing.</p>	<p>of accounts which are sufficient to show and explain the limited liability partnership's transactions and enable the designated partners to ensure that any Statement of Account and Solvency prepared under this rule complies with the requirements of the LLP Act. In connection with this, every limited liability partnership shall file the Statement of Account and Solvency in E-Form 8 with the Registrar, within a period of thirty days from the end of six months of the financial year to which the Statement of Account and Solvency relates.</p>
9.	Audit	<p>Every Company should be carrying out its detailed audit every year, irrespective of Share Capital and Turnover of the company.</p>	<p>The financial audit of the LLP is required if the contribution is above Rs.25 lakhs or if annual turnover is above Rs. 60 lakhs.</p>
10.	Charge on Security	<p>As per provisions of Section 77 of the Companies Act, 2013, any charge created/modified or satisfied on the property by a Company with respect to any Loan taken from a financial institution should be reported to the ROC within 30 days of the date of the event.</p>	<p>There is no such provision for registration of charges for the loans taken by the LLP from the financial institutions. The Exact encumbrances and liens on the leveraged assets of an LLP become available on public domain only when the Annual Return is filed with the Registrar on yearly basis, thereby creating a long gap</p>
11.	Dividend	<p>Companies are required to follow the procedure under Companies Act, 2013 for</p>	<p>In case of an LLP there is no concept of dividend. This makes a way for free and</p>

		arriving at a figure of profits available for dividend and also has provisions which state the detailed procedure related to the distribution of the Dividend to the shareholders.	unrestricted distribution of profits to partners
12.	Investment by Foreign Companies	It is allowed under the Automatic Route.	It is allowed under the Automatic Route.