



# RUKMINI DEVI

## Institute of Advanced Studies

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### Guest Lecture of MSME on Limited Liability Partnership

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"><li>• What is LLP?</li><li>• It is the hybrid of corporate &amp; partnership business.</li><li>• It allows the benefits of limited liability with flexibility of organizing the internal business.</li></ul> <p>Various features of LLP was discussed which are as follows:</p> <ul style="list-style-type: none"><li>• Non applicability of partnership act</li><li>• Body corporate</li><li>• Separate legal identity</li><li>• Perpetual succession</li><li>• Only with profit motive</li></ul>

- 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.