



# LLPs to follow certain provisions of Companies Act, 2013 such as Significant Beneficial Ownership, Disqualification, Vacation of Partners, Limit on number of partnerships

INSIGHTS

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In a major move which will impact LLPs and its partners, MCA has announced the applicability of following mentioned provisions of the Companies Act, 2013 (**CA2013**), to the LLPs with modification and adaptation, vide a public notice on its website:

- **Significant beneficial ownership provisions:** Section 90(1) to 90(11) of CA2013 will be made applicable which deals with declaration of significant beneficial ownership and maintenance of register therein.
- **Disqualification for appointment of partners:** Section 164(1) and 164(2) of CA2013 will be made applicable which deals with grounds of disqualification for appointment of a director.
- **Limiting number of partnerships:** Section 165(1), 165(3) to 165(6) of CA2013 will be made applicable which deal with maximum number of companies in which a person can be a director, and consequences if such limits are breached, and transition period to meet the limits.
- **Vacation of office of partners:** Section 167 (1) to 167(3) of CA2013 will be made applicable, which deals with the grounds for vacation of office of directors and consequences if director continues in office despite such vacation.
- **Inspection of books by an inspector and powers of such inspector:** Section 206(5) of CA2013 will be made applicable, which empowers the Central Government to direct inspection of books and papers of a company by an inspector appointed by it for the purpose. Section 207(3) will also be made applicable which empowers the inspector with all the powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit for the matters listed therein.
- **Appeal to NCLT against Registrar's orders of dissolution:** Section 252(1) to 252(3) of CA2013 will be made applicable, which allows appeal to be filed before the NCLT in case of order of dissolution / striking off passed by the Registrar.
- **Offences to be non-cognizable:** Section 439(1) to 439(4) of CA2013 will be made applicable, which provides that every offence under CA2013 except the offences referred to in section 212 (6) shall be deemed to be non-cognizable and details the process for taking cognizance.

The public notice ([attached herewith](#)) provides that LLPs, Partners and Designated partners thereof are advised to take note of the same for appropriate action. The notification when issued will provide details of the changes mentioned above.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at [insights@elp-in.com](mailto:insights@elp-in.com)

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