

## COMPARISON BETWEEN LLP AND LIMITED COMPANY

S.N.	Particulars	Company	Limited Liability Partnership
1.	Act which regulate	Companies Act 1956.	LLP Act 2008.
2.	Registration	Compulsory	Compulsory
3.	Separate Legal Entity	Its Separate Legal Entity	Its Separate Legal Entity
4.	Formalities of incorporation	Documents in the prescribed forms are required to be filed with ROC.	Documents in the prescribed forms are required to be filed with ROC.
5.	Taxation	It is separate taxable entity.	It is separate taxable entity. Further neither MAT nor DDT is applicable. Tax rate will be of 30%.
6.	Name	Suffix "Limited" or "Private Limited" has to be added to the name.	Suffix "LLP" has to be added to the name.
7.	Change of Name	Approval of Central Govt is required.	Approval of Central Govt is required.
8.	Ownership of Assets	The Company has ownership of asset and members only have shares in the company.	The LLP has ownership of asset and partners only have capital contribution in the LLP.
9.	Powers of members/partners/directors	Directors have power to conduct day to day affairs of the company, members practically have no say in the management.	The powers of the partners/designated partners to conduct day to day affairs is specified by LLP agreement/ LLP Act.
10.	Minimum Capital Requirement	Minimum 1 Lac paid up capital is required.	No such requirement.
11.	Books of Accounts	Books of Accounts must be prepared as specified in the Companies Act 1956.	Books of Accounts must be prepared as specified in the LLP Act.
12.	Manner of Keeping Books of Accounts	Accrual basis	Cash or accrual basis
13.	Audit of Accounts	As per the provision of Companies Act 1956, i.e, Statutory Audit is compulsory on annual/quarterly basis.	Accounts to be audited annually except for LLP's having turnover less than Rs. 40 lacs or Rs. 25 lacs capital contribution in any financial year.
14.	Annual Return	Required to be filed before ROC.	Required to be filed before ROC.
15.	Drawings	Drawings are not permitted	Drawings are permitted as per LLP Agreement.

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16.	Remuneration/Salary	Remuneration can be given as per the provisions of companies Act 1956.	Remuneration will be provided only if provided in the LLP Agreement.
17.	MOA/ LLP agreement	MOA is the charter of the company.	LLP Agreement is the charter of the company.
18.	Formation Cost	Higher	Lesser
19.	Taxation of Directors/ Partners	Remuneration is taxable under the head salary so all benefits of HRA, Conveyance and other exemption will be allowed.	Remuneration is taxable as business income so all benefits of HRA, Conveyance and other exemption will not be allowed.