

**Accounting Standards for Limited Liability Partnerships**

**Question 1**– Applicable Accounting Standards?

**Opinion**– Accounting Standards applicable to Limited Liability Partnerships

AS	Level II LLPs	Level III LLPs	Level IV LLPs
AS 1	Mandatory	Mandatory	Mandatory
AS 2	Mandatory	Mandatory	Mandatory
AS 3	Not Mandatory	Not Mandatory	Not Mandatory
AS 4	Mandatory	Mandatory	Mandatory
AS 5	Mandatory	Mandatory	Mandatory
AS 7	Mandatory	Mandatory	Mandatory
AS 9	Mandatory	Mandatory	Mandatory
AS 10	Mandatory	Mandatory with disclosures exemption	Mandatory with disclosures exemption
AS 11	Mandatory	Mandatory with disclosures exemption	Mandatory with disclosures exemption
AS 12	Mandatory	Mandatory	Mandatory
AS 13	Mandatory	Mandatory	Mandatory with disclosures exemption
AS 14	Refernote2(C)	Refernote2(C)	Refernote2(C))
AS 15	Mandatory with exemptions	Mandatory with exemptions	Mandatory with exemptions
AS 16	Mandatory	Mandatory	Mandatory
AS 17	Not Mandatory	Not Mandatory	Not Mandatory
AS 18	Mandatory	Not Mandatory	Not Mandatory
AS 19	Mandatory with disclosures exemption	Mandatory with disclosures exemption	Mandatory with disclosures exemption
AS 21	Refernote2(D)	Refernote2(D)	Refernote2(D)
AS 22	Mandatory	Mandatory	Mandatory only for current tax related provisions (Refer note 2(B)(vi))
AS 23	Refernote2(D)	Refernote2(D)	Refernote2(D)
AS 24	Mandatory	Not Mandatory	Not Mandatory
AS 25	Refernote2(D)	Refernote2(D)	Refernote2(D)
AS 26	Mandatory	Mandatory	Mandatory with disclosures exemption
AS 27	Refernotes2(C)and 2(D)	Refernotes2(C)and 2(D)	Refernotes2(C)and2(D)
AS 28	Mandatory with disclosures exemption	Mandatory with disclosures exemption	Not Mandatory
AS 29	Mandatory with disclosures exemption	Mandatory with disclosures exemption	Mandatory with disclosures exemption

**Question 2– Classification of LLPs?**

**Opinion– Classification of LLPs for applicability of AS** – For the purpose of applicability of Accounting Standards, LLPs shall be classified into four categories, viz., Level I, Level II, Level III and Level IV.

<u>Level</u>	<u>Name</u>	<u>Amount</u>
I	LLPs will be Large size Limited Liability Partnerships	whose turnover (excluding other income) exceeds rupees two-fifty crore
II	LLPs will be Medium size Limited Liability Partnerships	whose turnover (excluding other income) exceeds rupees fifty crore
III	LLPs will be Small size Limited Liability Partnerships	whose turnover (excluding other income) exceeds rupees ten crore
IV	LLPs will be Small size Limited Liability Partnerships	Limited Liability Partnerships which are not covered under Level I, Level II and Level III are considered as Level IV LLPs

**Question 3– Accounting Standards in respect of which relaxations/exemptions from certain requirements have been given to Level II, Level III and Level IV Limited Liability Partnerships:**

**Opinion–**

<u>Level</u>	<u>Exemptions</u>
II	AS 19 Leases
	AS 28 Impairment of Assets
III	AS 10 Property, Plant and Equipment
	AS 11 The Effects of Changes in Foreign Exchange Rates
	AS 19 Leases
	AS 28 Impairment of Assets
IV	AS 10 Property, Plant and Equipment
	AS 11 The Effects of Changes in Foreign Exchange Rates
	AS 13 Accounting for Investments
	AS 19 Leases
	AS 22 Accounting for Taxes on Income
	AS 26 Intangible Assets

**Question 4– Transitional provisions required ?**

**Opinion–** Transitional requirements : On the first occasion when a Limited Liability Partnership gets re-classified as Level IV LLPs (from the earlier Level I/II/III), the accumulated deferred tax asset/liability appearing in the financial statements of immediate previous accounting period, shall be adjusted against the opening revenue reserves.

CA Rajeev Bansal  
 Membership number – 500184  
 Mobile - 9814360397