

The LLP is a corporate business form that gives the benefits of limited liability of a company and the flexibility of a partnership. Since LLP contains elements of both 'a corporate structure' as well as 'a partnership firm structure' LLP is called a hybrid of a company and a partnership

In accordance with the LLP Act 2008, the accounts of Limited Liability Partnership shall be audited in accordance with the Rules prescribed under LLP Rules 2009.

In June 2022, the Accounting Standards Board of ICAI has issued the Technical Guide on Financial Statements of Limited Liability Partnerships (LLPs) to deal with applicability of Accounting Standards to the LLPs and recommending formats of the financial statements for the LLPs.

The Accounting Standards Board has now prescribed the formats for the presentation of the financial statements of LLPs in the form of Guidance Note, which were earlier issued as a part of Technical Guide

The objective is to standardise the formats of financial statements for these entities and to enhance the quality and comprehensiveness of the financial reporting by these entities.

This Guidance Note shall be effective immediately from the date of its issuance. The Technical Guide on Financial Statements of Limited Liability Partnerships shall be superseded by this Guidance Note.

It is important for all LLP enterprises to carefully consider the above standardise formats while preparing their financial statements as per new guidelines to ensure that their financial statements should reflect true, correct and fair view of their books of accounts as per applicable compliances and standard practices of disclosure and presentation requirements.