Complete Guide to LLP Registration in India: Steps & Fees

The Limited Liability Partnership (LLP) structure has emerged as a preferred choice for entrepreneurs and small businesses in India due to its flexibility and limited liability benefits. If you're considering forming an LLP, this complete guide will walk you through the <u>LLP Registration</u> process, requirements, fees, and other essentials.

What is LLP?

LLP stands for Limited Liability Partnership, a hybrid business model combining the operational flexibility of a partnership with the benefits of limited liability for its partners. It is governed by the Limited Liability Partnership Act, 2008, and is especially suitable for startups, SMEs, and professional firms.

Benefits of LLP Registration

- **1. Limited Liability:** Protects personal assets of the partners in case of business losses or debts.
- **2. Flexible Structure:** Offers operational flexibility without the stringent regulations of a company.
- **3. Separate Legal Entity:** An <u>LLP</u> can own assets, enter into contracts, and sue or be sued in its own name.
- **4. Tax Benefits:** LLPs are not subject to dividend distribution tax.
- **5. Startup India Registration:** LLPs can avail benefits under the <u>Startup India registration</u> for funding and tax exemptions.

LLP Registration Requirements

An LLP Registration in India, certain prerequisites must be met:

- **Minimum Partners:** At least two partners, with at least one designated partner being a resident of India.
- **Unique Name:** The LLP's name must not conflict with any existing registered entity or trademark.
- Registered Office Address: A physical address to be used for official communication.

Step-by-Step LLP Registration Process

1. Obtain Digital Signature Certificate (DSC): Every partner must have a DSC to file forms online on the MCA portal. Authorized agencies issue the DSC, and the cost varies based on the provider.

- **2. Apply for Director Identification Number (DIN):** Designated partners need a DIN, which can be obtained while filing the incorporation form (FiLLiP) on the MCA LLP Registration portal.
- **3. Name Approval:** Submit a name reservation application through the RUN-LLP service on the MCA portal. Ensure the proposed name adheres to naming guidelines and is unique.
- **4. Filing the Incorporation Form (FiLLiP):** File the FiLLiP form with details like the proposed LLP's name, registered office address, and partner information. Attach required documents, such as:
 - Identity and address proof of partners.
 - Registered office address proof (utility bill and NOC).
- **5. LLP Agreement:** Draft and file the LLP agreement within 30 days of incorporation. The agreement outlines mutual rights and duties among partners and the LLP.
- **6. Obtain LLP Registration Certificate:** Once all forms are approved, the Registrar of Companies (RoC) issues the Certificate of Incorporation, marking the legal existence of the LLP.

LLP Registration Fees

The cost of <u>LLP Incorporation</u> varies based on the contribution of capital:

• Up to INR 1 lakh: INR 500

INR 1 lakh to 5 lakhs: INR 2,000

INR 5 lakhs to 10 lakhs: INR 4,000

• Above INR 10 lakhs: INR 5,000

Additional fees may apply for DSC, name approval, and professional services if you hire a consultant.

LLP Registration Documents Checklist

For Partners:

- PAN card
- Address proof (Aadhaar, Voter ID, Passport, or Driving License)
- Passport-size photographs

For Registered Office:

- Utility bill (electricity, water, or gas) not older than two months
- Rent agreement and NOC (if rented)

LLP Registration Online: MCA Portal

The Ministry of Corporate Affairs (MCA) provides a seamless online platform for LLP Registration. All forms, including FiLLiP and LLP Agreement, are submitted digitally, reducing paperwork and processing time.

Importance of IEC Code and CSR Activities for LLPs

- **IEC Registration:** LLPs engaged in import-export activities must obtain an <u>Import Export Code</u> (IEC). This can be done online through the DGFT portal.
- <u>CSR-1 Registration</u>: LLPs undertaking Corporate Social Responsibility (CSR) activities must register with the MCA by filing Form CSR-1.

MCA LLP Registration and Beyond

Once you've completed the registration, your LLP can:

- Apply for Startup India Certification to access government incentives.
- Open a business bank account using the <u>LLP Registration Certificate</u>.
- Comply with annual filing requirements to avoid penalties.

Conclusion

LLP Registration in India is an efficient and cost-effective process, offering numerous advantages for startups and small businesses. With proper documentation and adherence to MCA guidelines, you can complete the LLP Incorporation process seamlessly. Whether you're planning to expand your business, apply for Startup India Registration, or engage in CSR activities, an LLP is a versatile and beneficial business structure.