

# A. N. GAWADE & CO. CHARTERED ACCOUNTANTS

## LIMITED LIABILITY PARTNERSHIP (LLP)

### **1. Benefits of LLP:**

- Unlimited Partners with Limited Liability. Individual partner liable for his own act and not the firm.
- Easy to form & manage.
- Less compliance as compared to company.
- Flexible, partners can define their own rules, as to how LLP will be managed.
- No requirement to pay Minimum Alternate Tax & Dividend Distribution Tax, as applicable to company.
- Corporate Form recognized by law.
- Minimum statutory fee is Rs 1000 as compared to Rs 5500 in company.
- LLP can be a shareholder or partner in any other Company, LLP, Partnership Firm which is not allowed under present Partnership Firm which has unlimited liability.
- Any individual, Company or LLP can be a shareholder in LLP.
- Currently taxed at 30.9% on profit after remuneration and interest on capital to partners.

### **2. Requirement for Incorporating LLP**

- Minimum two partners including two designated partner
- Digital Signature for every Designated Partner
- Designated Partners Identification Number (DIN) for each Designated Partner
- Capital as minimum as Rs 1,000 each partner
- LLP Agreement

### **3. LLP Formation Procedure:**

- Applying for DIN of Designated Partners
- Applying for Digital Signature Application for every Designated Partner
- Applying for approval of name of LLP
- Applying for incorporation of LLP
- Filing information regarding LLP Agreement with Registrar of LLP
- Filing consent of partners with Registrar of LLP

### **4. Our Scope of Services:**

#### **Pre-Incorporation**

- Applying for Designated Partners Identification Number
- Generating Digital Signature Certificate for proposed Designated Partners
- Providing basic LLP Agreement (with customization upto 2 man hour)
- Applying of Name Approval and providing necessary assistance for alternative names, in case desired name is not available
- Preparing & filling incorporation forms with Registrar of LLP (ROL)
- Coordinating with ROL officials for incorporating the LLP and receiving the certificate of incorporation

#### **Post Incorporation**

- Filing details of LLP Agreement provided by the client with the Registrar of LLP
- Filing consent of partners with the Registrar of LLP
- Applying for Tax numbers i.e. Permanent Account & Tax Deduction Number
- Coordinating for Opening a Bank Account
- LLP Stamp
- Complete Spiraled set of Incorporation Documents

## 5. Time Line

S.No.	Activity	No. of Working days
1.	Application for Digital Signatures/DPIN	X
2.	Approval of DPIN	X+4
3.	Application for LLP Name	X+4
4.	Subscription of Subscribers Sheet	X+4
5.	Filing of Incorporation Papers	X+8
6.	Incorporation of LLP*	X+11
7.	Filing of application for PAN/TAN	X + 13
8.	Filing of consent of partner	X+13
9.	Filing of details of LLP Agreement	X+14

### \*Note:

- The above time may increase depending upon the time taken by client for signing the documents.
- You can start your business as soon as LLP is incorporated.

## 6. Documents Required

### For LLP Registration

- 2 copies of ID & Residential proof for each designated partner. In case permanent & present residential address is different, provide proofs for both
- One Photo for each Designated Partner, for Digital Signatures
- Proof of address, where registered office will be situated

## **7. FDI IN LLP:**

Proposal for FDI in LLP is under consideration with Reserve Bank of India. Detailed guidelines are expected soon.

## **8. SUITABLE FOR FOLLOWING BUSINESSES:**

- Specific Project Joint Ventures
- Real Estate Firms
- Professional Firms like CAs, Lawyers, etc
- Group Holding Companies
- Small and Medium Business Enterprises

## **9. CONVERSION:**

Conversion of LLP into Company and vice-versa is allowed subject to certain conditions.

**For any further details, please contact**

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