

PARTNERSHIP FIRM REGISTRATION



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CONTENT

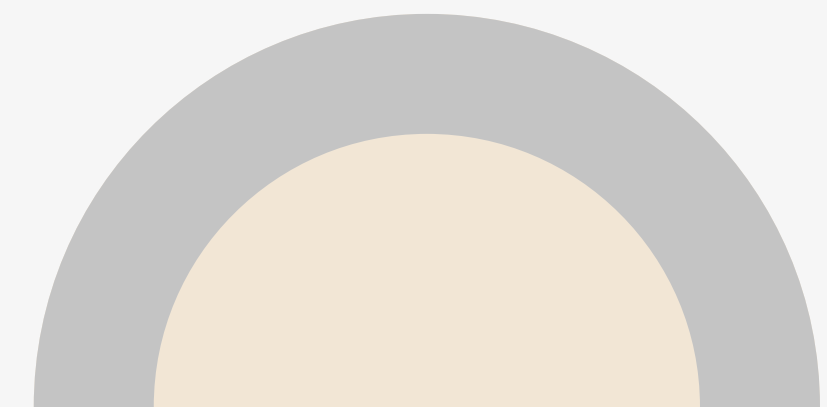
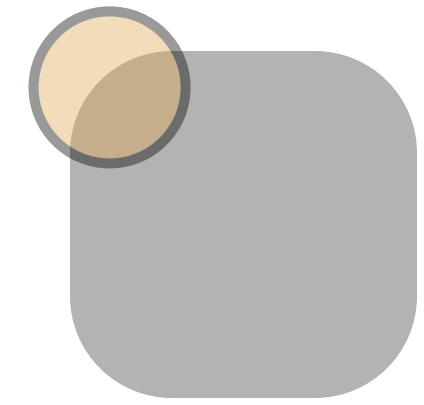
01 Overview

02 Checklist & Documents

03 Process

04 Benefits

05 Partnership Firm vs Company



OVERVIEW

Overview of Partnership Firm Process in India

01 Consultancy Fee

Starting at ₹4,999/-

02 Government Fee

The government fee for establishing a partnership firm in India consists of two components. First, there is the Stamp Duty on the partnership deed or agreement, and second, there is a fee charged by the Registrar of Firms. These costs vary from state to state.

03 Timeline

The firm can be functional in 1-2 working days.

04 Eligibility

- Partners: 2 to 20. (Max ten in banking business)
- A Registered Address
- Unique Name
- Adequate Capital (No Min or Max Limit)
- Only Indian citizens are eligible to start a partnership firm.
- NRI/PIO can be partners on a Non-Repatriation basis.

OVERVIEW

Overview of Partnership Firm Process in India

05

Stepwise Process

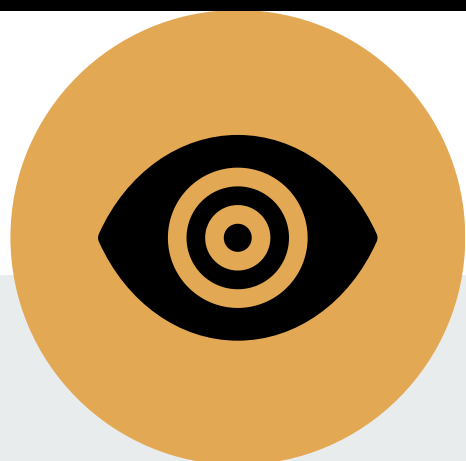
- Draft an agreement of partnership/Deed
- Pay the appropriate stamp duty on the deed.
- Notary attestation is recommended.
- Registration of the firm is optional (recommended)
- Apply for PAN and TAN.
- Apply for GST registration if needed.
- Obtain the MSME registration for the firm.
- Protect the brand or trademark.
- If planning for export and import, apply for IEC.

06

Documents Required

- Passport size colour photo
- PAN Card (Mandatory)
- Identity Proof of Partners
- Proof of Residence of Partners
- Proof of Registered Office Address
- NOC from the owner of registered office premises

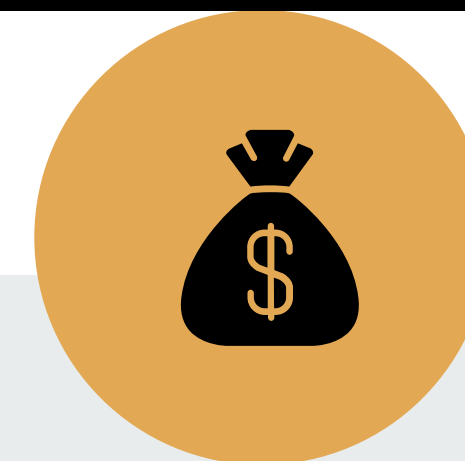
CHECKLIST & DOCUMENTS



Minimum Requirements

- **At Least 2 Partners**
- **Maximum 20 Partners**
- **A Unique and Valid Name of the Firm**
- **A Registered Office in the State**
- **Partnership Deed**

To establish a Partnership Firm, you need to meet specific minimum requirements. These include the number of partners, the firm's name, and its registered office. Below is the table listing the minimum requirements for forming a partnership firm and the documents required for registration as a partnership firm in India. The partners must fulfil both of these requirements to establish, incorporate, and operate a Partnership firm smoothly.



Boost Conversion Rates and Sales

Documents of Partners

- PAN Cards
- Aadhar Cards
- Coloured Photographs
- ID Proofs
- Address Proofs

Documents of Registered Office

- Proof of Address
- NOC from the Property Owner
- Rent Agreement/Property Tax Receipt

Legal Documents

- Partnership Deed

PROCESS OF PARTNERSHIP REGISTRATION WITH ROF IN INDIA



Registering a partnership firm in India requires filing an application with the Registrar of Firms (ROF) in the prescribed mode. Where the mode is online, applications can be accessed, filled out, and submitted on the Registrar of Firms (ROF) website. Where the mode is offline, the applicant must visit the ROF's office in the state and apply manually. Regardless of the mode of application, the applicant must navigate through the following steps to complete the Partnership Firm Registration process.

1

Documentation for Partnership Registration

The Partnership Registration process in India starts with preparing the necessary documentation. The primary KYC documents of all partners, such as Aadhar, PAN, Residential address proof, and a colour photograph, are required. For the proof of the Principal Place of business, any utility bill of the premises along with the owner's NOC is required.

2

Select a Name of the Firm

The name of your partnership firm must be unique and communicative in terms of its brand and business activity. Moreover, it should not be identical or similar to the name of an existing business or a registered trademark. To check the availability of the selected name, you can use the name search tool on the MCA and IP India websites.

3

Partnership Deed Registration

Partnership Deed is the legal basis for partnership firm formation in India. The deed is considered valid and legal only when appropriate stamp duty as per the state stamp act is paid. All partners must sign the Partnership Deed in the presence of the notary and two other witnesses.



4

PAN and TAN of the Partnership Firm

The application for allotment of the firm's PAN, a crucial identifier for Income Tax compliance, is made in Form 49A. TAN is equally important for TDS compliance, which is necessary for any business. The application for TAN is filed in Form 49B. The Government assigns PAN and TAN to the firm, marking a significant step in the registration process.



5

GST Registration for Partnership Firm

GST registration for partnership firms is necessary to fulfil GST-related compliance requirements, such as paying taxes and filing GST returns. For this, an appropriate application with the required documents is filed with the GSTN for registration under the GST. After the GST registration is granted, the Department allotted a unique GSTIN to the firm. This GSTIN can be used for all GST-related activities in the future.



6

Partnership Firm Registration with the ROF

To register a Partnership firm in India, you must first check your state's application mode. If your state allows online registration of a Partnership Firm, you can visit the official ROF website and apply along with the necessary documents and government fees. However, if the application mode is offline, you need to visit the office of the Registrar of Firms (ROF) to apply for partnership firm registration. After the application is processed, the ROF will register your firm and issue a Partnership Firm Registration Certificate in its name.

Benefits of Partnership Registration

Although registration of partnership firms is optional in India, Section 69 of the Partnership Act lists various adverse consequences. One of the most significant disadvantages of an unregistered partnership firm is its inability to institute a legal suit to recover anything more than ₹100 from a debtor. This is why every partnership firm must register with the Registrar of Firms. Please note that notary attestation or registration of the partnership agreement before the registrar of documents and deeds under the Registration Act does not amount to firm registration per se. Therefore, be careful while setting up the firm. Our expert advisors are equipped to help you set up your partnership business in India.

A registered firm has the following advantages.

1

Legal Recognition & Protection

2

Easier Dispute Resolution

3

Right to Sue & Be Sued

4

Enhanced Credibility

5

Easier Conversion to Other Business Structures

PARTNERSHIP FIRM VS COMPANY

Partnership Firm

Pros

- Easy to Step Up
- Incorporation is an Option
- Flexible Management
- Lesser Compliances
- Low Cost of Operations
- Shared Liabilities Between Partners
- Limited Control by External Authorities
- Easy to Dissolve
- Privacy in Firm's Affairs

Cons

- Unrestricted Liability
- Limited Investment Potential
- Limited Period of Existence
- No Separate Management Authority

Private Limited Company

Pros

- Limited Liability
- High Investment Potential
- Perpetual Existence
- Separate Management Structure

Cons

- Exhaustive Incorporation Process
- High Cost of Operations
- High Number of Compliances
- Long & Costly Winding Up Process
- Lack of Privacy
- Complex Decision-Making Process
- High Taxation
- Greater Social Responsibility
- Several External Regulations

THANK YOU



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