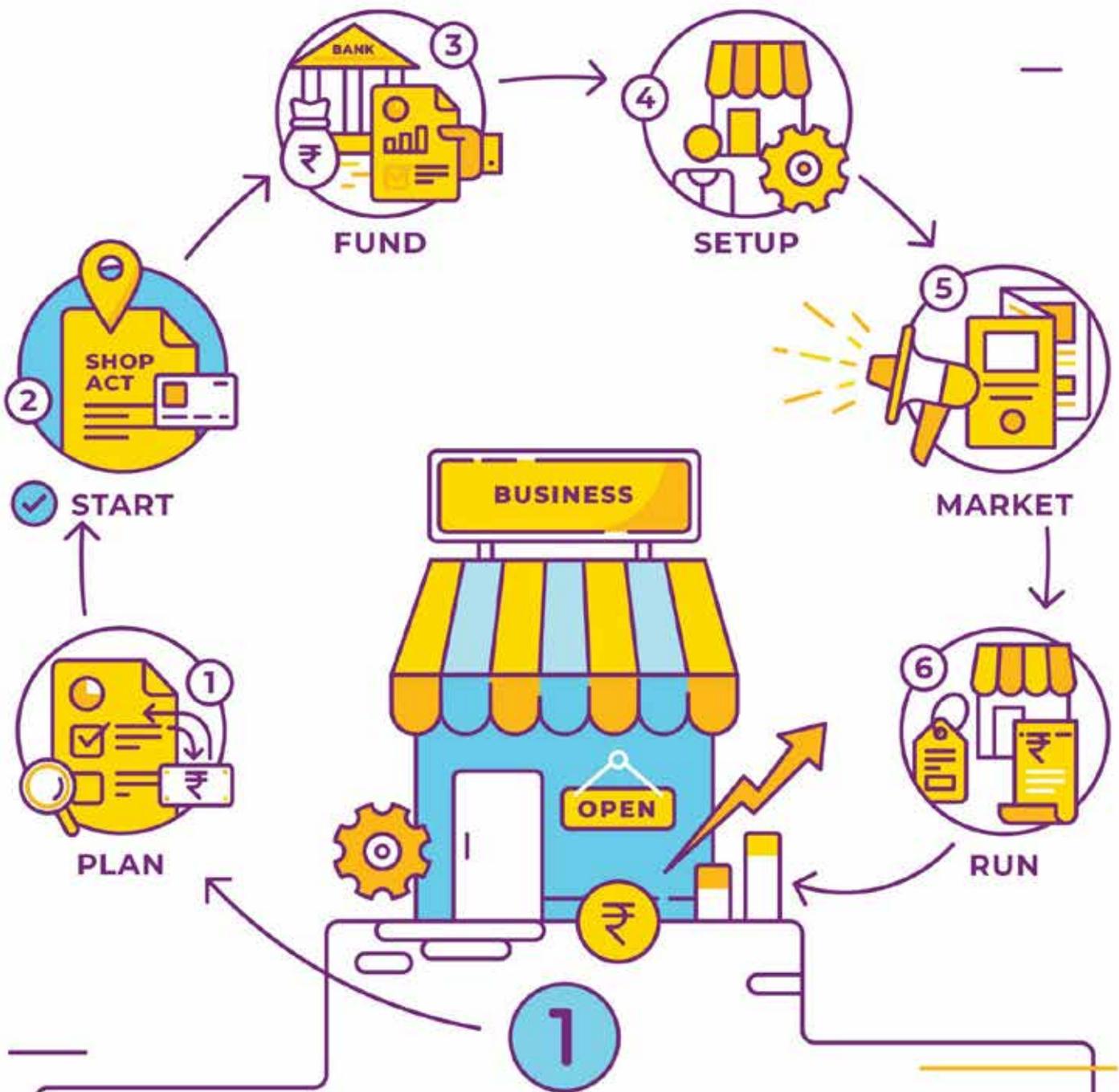


# PARTNERSHIP REGISTRATION CHECKLIST



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## PARTNERSHIP FIRM

Partnership is a form of organization wherein two or more individuals agree to set up a business and agree to share the ownership, as well as profit or loss of the business by entering into a Partnership deed. Partnership firms are governed by Indian Partnership Act 1932.

### Benefits of setting up a Partnership firm:

1. Setting up a Partnership firm is comparatively less expensive than a setting up a Company
2. As compared to a sole proprietorship concern a Partnership firm has a separate legal entity.
3. Partnership firm has less legal compliances
4. The functions, activities and working of the firm can be mutually decided by the partners.

### Points to be considered while setting up a Partnership firm:

1. Liabilities of partners is unlimited.
2. A partner is liable for the debts or acts of the other partners. Which means that partners are jointly and severally liable for the partnerships debts i.e. a partner is jointly as well individually liable.
3. Partnership firm has a less formal and organized structure as compare to a Company

### Registering Partnership firm:

- It is advisable to register the partnership firm with the local registrar of firms as a registered firm enjoys following advantages:
  - a. lending institutions prefer a registered Partnership Firm over a non-registered firm.
  - b. Registered firm have legal rights in case of disputes
  - c. Organizations prefer to do business with a registered firm
  - d. As the partnership firm gets registered, public at large will know the existence of the firm.
- While applying for registration, you have to remember that registration is a state specific regulation. Which means that the process and documents required might change from state to state



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### **Steps to register a Partnership Firm (For the state of Maharashtra only).**

- Create a user id and password on <https://rof.mahaonline.gov.in> and log in to the website
- Select the option “Registration of Partnership firms”
- Then an online application in Form no 1. is to be filed for registration of firm.
- In the application the applicant will have to specify the description of partnership firm i.e. details of partners, business of the firm etc.
- Once the application (i.e. Form no 1) is filled, it should be printed on a green ledger paper (a legal size green coloured paper) and it should be signed by all the partners.
- The above signed application should be submitted to the Registrar of Firms (RoF) office along with the required documents.
- After the application is submitted the RoF department acknowledges the receipt of the application and then the application goes further for verification.
- If the department raises any objection, then an objection letter is sent to the applicant on his email id.
- For clarifying the objections, the applicant has an option to modify the original application on the website.
- After all the objections are cleared the applicant will receive a digitally signed copy of Certificate of Registration of Firm. It can be downloaded from the website.

### **List of documents for registering a Partnership firm in Maharashtra:**

#### **A. Mandatory documents:**

1. Application to be filed online for registration of Partnership Firm in Form A (On <https://rof.mahaonline.gov.in/> website)
2. Covering letter along with Rs. 5/- Court Fee Stamp.
3. Certified Copy of the Partnership Deed (Certified by a C.A. or an Advocate) (Original is not to be submitted)
4. Certified copy of the Marathi translation of the Partnership Deed (Certified by a C.A. or an Advocate)
5. A blank stamp paper of Rs. 10/- or more in the name of Partner or firm.
6. Authority letter signed by all the Partners if the documents are submitted by a C.A or an Advocate.
7. Ownership proof of the place of business of the Partnership Firm.

## B. Business specific documents:

1. If Company is a partner in the firm then a Certified True Copy of Memorandum and Articles of association of the Company and Board resolution is required
2. If trust is a partner in the firm then Certified True Copy of the Trust Deed is required.
3. If the business of the firm requires license from any Government Department, then such license is also required.

## CHARACTERISTICS OF VARIOUS BUSINESS ENTITIES

<i>Characteristics</i>	<i>Proprietary Concern</i>	<i>Partnership Firm</i>	<i>LLP</i>	<i>OPC</i>	<i>Pvt. Ltd. Company</i>
<i>Legal Entity</i>	No separate legal entity	Separate legal entity	Separate legal entity	Separate legal entity	Separate legal entity
<i>Governing Act</i>	No specific act	Indian Partnership Act, 1932	LLP Act, 2008	Companies Act, 2013	Companies Act, 2013
<i>Liability</i>	Unlimited	Unlimited	Limited	Limited	Limited
<i>No. of Members</i>	One person can form	2 or more partners, 10 for banking, 20 for non banking	2 or more partners	1 Member and 1 nominee	Max 200 members
<i>Succession</i>	Legal Heir	Remaining partners and legal Heir of Deceased partner with consent of other partners	Remaining partners	Nominee (A company has perpetual succession)	A company has perpetual succession.
<i>Dissolution</i>	The proprietor has the sole authority	With consent of partners	With consent of partners	Legal procedures for winding up or liquidation as the case may be	Legal procedures for winding up or liquidation as the case may be
<i>Filing of financials with regulatory authorities</i>	Not Applicable	Not Applicable	Financial statements are to be filed annually with Registrar of Companies	Financial statements are to be filed annually with Registrar of Companies	Financial statements are to be filed annually with Registrar of Companies



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<i>Filing of forms for creation of charge (in case of loans taken).</i>	No legal formalities	No legal formalities	Required to file adequate forms with Registrar of Companies	Required to file adequate forms with Registrar of Companies	Required to file adequate forms with Registrar of Companies
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### Turn Around Time (TAT):

1. Drafting of Partnership deed: Approximately 2-3 business days, if all the information and documents are available.
2. Registration of Partnership deed: TAT will vary based on the time taken by the Registrar of Firm.

### Deliverables:

1. Partnership Agreement
2. Registration certificate





# Good Luck For Your Business.



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