

Everything you need to about a partnership deed

As businesses grow over time and demand for various services transform, the Indian law provides numerous opportunities to entrepreneurs to set up one on their own or in partnership. Setting up a business in partnership is one of the prominent types with comparatively safer profit analysis, yet risky judgements.

This when a partnership deed comes into action. It is a legal agreement between the partners involved in a common business. This legal written document comprises of all the terms and conditions agreed upon by the two or more parties with a detailed overview.

However, a partnership deed is complicated than you think. To discuss the same, we have written a detailed analysis with explanations of anything and everything that you might need to know before starting your business venture in Partnership.

Why do you need a partnership deed agreement?

Starting a new business is quite complicated and risky. No matter what industry you step in. However, when you get into a partnership, you have to consider and cover other factors like probable disagreements, finances, salaries, profits/loss, and other internal conflicts that might result into a fallout in the later run.

To cope up with the issues mentioned above with legal format, a partnership deed which comprises numerous terms and conditions relating to the Partnership is produced.

About Partnership Deed Agreement

The partnership deed acts as a legal document in case a company lands up in the courtroom for some reason. This partnership agreement registration is done under the Indian Registration Act 1908, abolishing any possible condition wherein the deed of partnership gets destroyed in care of the partners.

Why should you legally register your partnership firm?

The legal partnership agreement registration in India further makes the firm eligible for numerous services, including PAN issue, firm's bank account, GST registration or FSSAI licensing.

A minimum of two people is required for the registration of a partnership firm. However, the registration is not an important process and hence, done in accordance with the needful.

However, a partnership business is deprived of the legal benefits in case it is not legally registered.

How to legally register a partnership firm?

For legal Partnership Agreement Registration in India you need to fill an application form and submit the same with the required fees to the Registrar of Firms of the State.

Ensure that the form is signed by both the partners (more if any). Once the verification is officially done, the firm receives a certificate of registration from the registrar of firms.

Documents needed for Partnership Deed Agreement in India

The documents required at the time of partnership registration are-

- Partnership deed/agreement
- Documents relating to the firm
- Details and documents of the partners
- GST registration
- Existing bank account details

You may attach the PAN card and address proof of the firm that you wish to register along with their application when required.

1. In case you do not have an existing pan card of the firm, you may request one online or fill form 49A in the offline mode.
2. For address proof, if the place is rented, you may attach the rent agreement along with the utility bill and NOC furnished by the landlord. If the place is owned by oneself, you may attach the utility bill in the name of the owner along with an NOC.
3. For GST registration you require a PAN number, address proof of firm along with identity and address proof of the partners. The authorised signature can be done via digital signature certificate or e-Aadhaar verification.
4. To open a bank account for the firm, you require the following documents-
 - Partnership deed
 - Pan card of the partnership firm
 - Address, proof of partners and firm
 - Partnership registration certificate (in case already registered)
 - GST certificate or any other registration document issued by the Central or state government
 - Photocopy of utility bill that includes electricity bill, telephone bill or water bill (should not be older than three months)
 - Authorisation letter of the firm that legally allows a partner for authorised signature for Bank purposes.

Conclusion

A legal partnership deed agreement facilitates the functioning of a partnership firm and tries to abolish any possible obligation that might exist. It legally assists in settling numerous disputes that might exist during the partnership.

It not only clearly mentions the duties of individual partners but also provides details on aspects like profit/loss ratio, salary, rules etc.