**INDIAN PARTNERSHIP ACT 1932**

# MINOR AS A PARTNER

A minor, who is below 18 years of age, may be admitted into a firm to the benefits of the partnership. But he cannot become a partner as he is incompetent to enter into a contract. His liability will be limited to the extent of his share. He cannot, take part in the management. He has a share in the profits of the firm. After attainment of major age limit, within six months, he has to decide whether to continue in the firm or not. He should issue a notice to that extent. Otherwise he is deemed to be a regular partner.

# CAN A MINOR BE ADMITTED TO A PARTNERSHIP?

## As a minor he/she is not capable of entering into any contract thus, any agreement by, or with a minor is void ob initio. As partnership is created by an agreement, a minor thus cannot enter into partnership, though he can be admitted to the benefits of the firm only with the consent of all the other partners.

Section 30 of the Indian Partnership Act 1932 contains legal provisions about a minor in a partnership. As we know the Indian Contract Act clearly states that no person less than the age of 18, i.e. a minor can be a party to a contract. And a partnership is a contract between the partners. Hence a minor cannot be a partner in a partnership firm.

However, according to the Partnership Act, a minor may be admitted to the benefits of a partnership. So while the minor will not be a partner he will enjoy all the benefits of a partnership. To admit the entire minor to the benefits of the partnership all of the partners of the firm must be in agreement.

# RIGHTS OF A MINOR PARTNER

## Once the minor is given the benefits in a partnership there are certain rights that he enjoys. Let us take a look at the rights of a minor partner.

1. A minor partner will obviously have the right to his **share of the profits of the firm**. But the minor partner is not liable for any losses beyond his interests in the firm. So a minor partner’s personal assets cannot be liquidated to pay the firms liabilities.
2. He can also like any other partner **inspect the books of accounts** of the firm. He can demand a copy of the books as well.
3. If necessary **he can sue** any or all of the other partners for his share of the profits or benefits.
4. A minor partner on attaining majority has the right to **become a partner of the firm**. He has six months from attaining majority to decide if he will execute this right. Whether he decides to become a partner or not he must give public notice about the same.

# LIABILITIES OF A MINOR PARTNER

1. A minor cannot be held **personally liable for the losses** of the firm. And if the firm declares insolvency the minor’s share is kept with the Official Receiver.
2. After turning 18 the minor partner can choose to become a partner of the firm. But he may choose to not become a partner. In this case, the minor partner has to give a public notice about this decision. And the notice has to be given within 6 months of gaining a majority. If such a notice is not given even after 6 months then the minor partner will become liable **for all acts done by the other partners t**ill the date of such notice.
3. Should the minor partner choose to become a partner he will be liable to all the **third parties for the acts done** by any and all partners since he was admitted to the benefits of

the partnership.

1. If he **becomes a full-time partner** he will be treated as a normal partner and **have all the liabilities of one**. His share in the profits and property of the firm will remain the same as it was when he was a minor partner.

