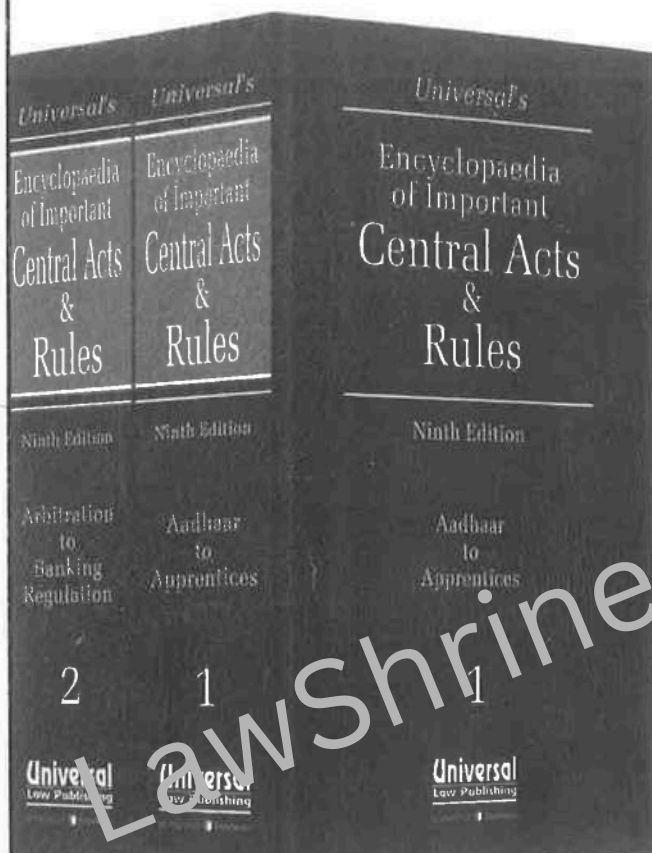


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8130878422

# The Indian Partnership Act, 1932

(9 of 1932)

*as amended by*

**The Insolvency and Bankruptcy Code, 2016**

(31 of 2016)

*with*

**State Amendments**

*and*

- **Model Specimens of Partnership and  
Dissolution Deed**

**and  
QUICK REVIEW  
FLOW CHART**

*along with*

**SHORT NOTES**

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Quick Reference  
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# THE INDIAN PARTNERSHIP ACT, 1932

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THE INDIAN PARTNERSHIP ACT, 1932

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*Under J.P.A. Partnership does not work under the principle of Limited liability*

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IMPORTANT

AMENDMENT HAS BEEN INCORPORATED IN THE MAIN ACT AT APPROPRIATE PLACE.  
TEXT OF THE AMENDING ACT IS REPRODUCED BELOW FOR REFERENCE.

AMENDMENT TO THE INDIAN PARTNERSHIP  
ACT, 1932 (9 OF 1932)  
BY  
THE INSOLVENCY AND BANKRUPTCY CODE, 2016  
(31 OF 2016)

[28th May, 2016]

An Act to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

PART I  
PRELIMINARY

1. Short title, extent and commencement.—(1) This Code may be called the Insolvency and Bankruptcy Code, 2016.

(2) It extends to the whole of India:

Provided that Part III of this Code shall not extend to the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Code and any reference in any such provision to the commencement of this Code shall be construed as a reference to the commencement of that provision.

\* \* \* \* \*  
245. Amendments of Act 9 of 1932.—The Indian Partnership Act, 1932 shall be amended in the manner specified in the First Schedule.

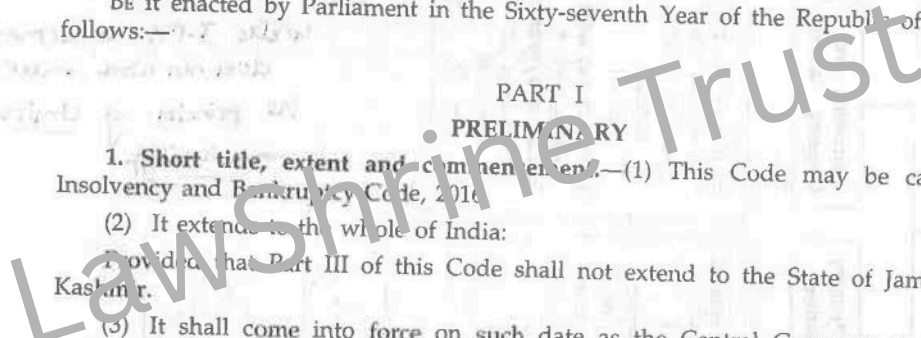
THE FIRST SCHEDULE

(See section 245)

AMENDMENT TO THE INDIAN PARTNERSHIP ACT, 1932  
(9 of 1932)

1. In section 41, clause (a) shall be omitted.

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# THE INDIAN PARTNERSHIP ACT, 1932

## INTRODUCTION

Until the middle of the last century courts used to deal with disputes between business partners in accordance with the prevalent customs and usages of the country. However, the law relating to partnership was contained in Chapter XI consisting of sections 239 to 266 of the Indian Contract Act, 1872. Those provisions were found neither adequate nor satisfactory, thus repealed. Besides, with the development of trade in India, the necessity of a new legislation on partnership was deeply felt.

Based on the English Partnership Act, 1890 with some minor modifications to meet the day to day problems occurring in the partnership business in India a comprehensive draft Bill was prepared which was referred to special committee. The report of the Special Committee along with its recommendations it was further referred to the Select Committee. On the basis of the recommendations of the Select Committee the Indian Partnership Bill was introduced in the Legislature.

## STATEMENT OF OBJECTS AND REASONS

*The Report of the Special Committee given hereunder explains the Bill.*

The constitution of the Committee was as follows:—

*Chairman.*—The Honourable Sir Brojendra Lal Mitter, Kt., Bar-at-Law, Law Member of the Council of the Governor-General.

### *Members*

- (1) Sir Dinshah Fardunji Mullah, Kt. C.I.E., M.A., LL.B., Advocate, Bombay.
- (2) Mr. Alladi Krishnaswami Ayyar, Advocate-General, Madras.
- (3) Mr. Arthur Eggar, M.A., Bar-at-Law Government Advocate, Rangoon.
- (4) Mr. D.G. Mitchell, C.I.E., I.C.S., Officiating Secretary to the Government of India, Legislative Department, attended the meetings of the Committee, and
- (5) Mr. A. De C. Williams, I.C.S., Deputy Secretary in the Law Department, acted as Secretary to the Committee.

• The engagements of some of its members prevented the Committee from meeting for some time, but it assembled at New Delhi on the 3rd of November, 1930 where its first meeting was held and it continued its deliberations daily until Monday, the 17th. A Bill to define and amend the law relating to partnership, with notes setting forth the reasons for its various provisions which had already been prepared in the Legislative Department, was placed before us and formed the basis of our discussions.

\* \* \* \* \*

The Present Bill is the second of the series foreshadowed by the Special Committee and like its predecessor it is based on the corresponding English Act [In this case, the Partnership Act, 1890 (53 and 54 Vict., c. 39)]. The law relating

to partnership is at present contained in Chapter XI of the Indian Contract Act, 1872, which was based on the rules included in the Report of the Indian Law Commission presided over by Lord Romilly in 1866. These rules were based on English precedents. The main object, then, in view was in the words of Sir James Stephen who piloted the Indian Contract Bill through the Council, "that of providing a body of law to the Government of the country so expressed that it might be readily understood both by English and Indian. Government servants without extrinsic help from the English law libraries". With that object in view the Select Committee on the Indian Contract Bill, in its Report dated 22nd February, 1870, said that many important matters relating to the partnership were ~~left~~ unnoticed in Chapter XI. In addition to these omissions, the development of trade in India has shown further matters on which legislation is now required. In the absence of clear and definite rules on these points, Indian Courts have held that Chapter XI of the Indian Contract Act is not exhaustive and have relied on analogies drawn from the English Law. In regard to partnership, the position is much the same as that in regard to the sale of goods, and the remarks of the Special Committee on the Sale of Goods Bill in paragraph 6 of their Report may be repeated with cogency:

"Whatever merit the simple and elementary rules embodied in the Indian Contract Act may have had and, however sufficient and suitable they may have been for the needs which they were intended to meet in 1872, the passage of time has revealed defects on the removal of which has become necessary in order to keep the law abreast of the developments of modern business relations".

• The Partnership Act, 1890, however, has not been such a successful piece of codification as the English Sale of Goods Act, 1893, and herein lies the contrast. The full context of the quotation from Lindley given above runs as follows:—

"Opinions will naturally differ as to the utility of statutes which deal with important branches of law, but which do not profess to deal with them exhaustively. No doubt an incomplete piece of work is unsatisfactory; but it does not follow that such a work is not worth executing; if it is well done as far as it goes it may be a great boon; and the Partnership Act, 1890, although imperfect, has the merit of reducing a mass of law previously undigested except by private authors into series of propositions authoritatively expressed and as carefully considered as any Act of Parliament is likely to be".

The learned author of the treatise proceeds to discuss the difficulty of passing a considered code of law on a technical subject through a democratic Legislature like Parliament and he concludes: "Taken as a whole the law of England both civil and criminal, is well adapted to the requirements of the English people but it sadly wants methodising and authoritative revision; and any such revision of any branch of it is a distinct gain. From this point of view the Act in question (*i.e.*, the Partnership Act, 1890) is decidedly useful, although it is by no means a perfect measure nor even as good as Parliament might have made it".

These remarks have encouraged us to depart from the precedent of Sale of Goods Bill where the English Act was modified in a few particulars only, and to use the Partnership Act, 1890, with some degree of freedom. Nevertheless, the

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Bill does not alter in any substantial way the English Law of Partnership or the Indian Law of Partnership, which is based thereon. The main principles are the same, and likewise all important details. The deviations in principle, it does show, are on minor points, and have been introduced in order to adapt the law to Indian conditions or to supplement it in places where it is complete, or are supported by the views of authoritative commentators. Further, the wording of clearly defined principles in the Partnership Act, 1890 has been freely adopted. Admittedly, any change in the wording of the English Act may have the disadvantage of making useful English decisions to apply to Indian cases, but it is anticipated that the practical identity in substance of the two Acts and the similarity in wording of important provisions will avoid this undesirable result and will attract to difficult cases in India the benefits of English judicial experience.

\* \* \* \* \*

.....apart from the preliminary Chapter and the Chapter on "The Nature of Partnership", the Bill has three Chapters which deal with the wording "firm", namely:—

- Chapter III—Relations of partners to one another,
- Chapter IV—Relations of partners to third parties,
- Chapter V—Incoming and outgoing partners,  
and on Chapter relating to the extinction of a firm, namely:—
- Chapter VI—Dissolution of a firm.

\* \* \* \* \*

• All the proposals made at various times were considered by the Government of India, but owing either to lack of inability among the proposers or the difficulties in the proposals themselves, no conclusions were derived which could form the basis of a Bill, and which could hold some promises to a successful passage through the Indian Legislature. The difficulties related to—

- (1) Hindu undivided families;
- (2) Short-lived partnerships; and
- (3) Firm in a small way of business,

and a short discussion of these will disclose the reasons why nothing so far has been done, and will help to explain the present proposals.

\* \* \* \* \*

17. The outlines of the scheme briefly as follows and are: The English precedent in so far as it makes registration compulsory and imposes a penalty for non-registration has not been followed, as it is considered that this step would be too drastic for a beginning in India and would introduce all the difficulties connected with small and ephemeral undertakings. Instead, it is proposed that registration should lie entirely within the discretion of the firm or partner concerned; but, following the English precedent, any firm which is not registered will be unable to enforce its claims against third parties in the civil Courts; and any partner who is not registered will be unable to enforce his claims either against third parties or against his fellow partners. One exception to this

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disability is made—An unregistered partner in any firm, registered or unregistered, may sue for dissolution of the firm. This exception is made on the principle that registration is designed primarily to protect third parties, and the absence of registration need not prevent the disappearance of an unregistered or imperfectly registered firm. Under this scheme a small firm or a firm created for a single venture not meeting with difficulty in getting payment, need never register; and even a firm with a large business need not register until it is faced with litigation. Registration may then be effected at any time before the suit is instituted. The rights of third parties to sue the firm or any partner are left intact.

18. Once registration has been effected, the statements recorded in the register regarding the constitution of the firm will be conclusive proof of the facts therein contained against the partners making them, and no partner whose name is on the register will be permitted to deny that he is a partner with certain natural and proper exceptions which will be indicated later. This should afford a strong protection to persons dealing with firms against false denials of partnership and the evasion of liability by the substantial members of a firm.

19. The framing of inducements to register changes in a firm has been difficult, but the devices proposed in the Bill are put forward as being as strong as may be created, in the absence of penal sanction and without altering any of the established principles of partnership law. As regards a partner newly introduced into the firm, if he fails to register he will incur a grave risk of being unable to claim his dues from his partners, and will have to rely solely on their good faith or sue for dissolution. On the other hand, the third party who deals with a firm and knows that a new partner has been introduced can either make registration of the new partner a condition for further dealings, or content himself with the certain security of the other partners and the chance of proving by other evidence the partnership of the new but unregistered partner. A third party who deals with a firm without knowing of the addition of a new partner counts on the credit of the old partners only, and will not be prejudiced by the failure of the new partner to register.

20. As regards outgoing partners the Bill provides that the estate of a deceased partner or of an insolvent partner is in no case liable for the acts of the firm after his death or insolvency. This rule is well established and is hard and fast. Nothing in the way of registration of the death or insolvency of a partner, therefore, can improve the position of third parties, and no inducement need be offered, beyond the desire which will actuate most firms to keep their entry in the register up to date for the information and benefit of intending customers. These are the exceptions mentioned above, where the existence of a name on the register may not establish the partnership of the person named.

21. As regards retired or expelled partners, who are legally on the same footing, there will be strong inducement to have the changes noted in the register. The law provides that a retired or an expelled partner continues to be liable for the acts of the firm, and the firm continues to be liable for any act of theirs purporting to be done on behalf of the firm, until public notice is given of the retirement or expulsion. Clause 71 (new section 72) of the Bill provides that this public notice can be given as regards retirement and expulsion only by notice to the Registrar, which will be recorded in the register. Hence, when a partner

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retires or is expelled, it will be in his own interest and also in the interest of the remaining partners to give immediate notice of the change to the Registrar.

22. Similar considerations apply when a firm is dissolved. All the partners will still be liable for the acts of any of them which would have bound the firm if done before its dissolution until public notice is given. Here again it will be in the interest of all the partners that early notice should be given, and this can only be done by notice to the Registrar.

23. To sum up, it is anticipated that once a firm has been registered, the register of firms will continue to contain a complete and up-to-date list of all partners who will be liable for the debts of the firm to persons who propose to deal with the firm.

24. One more point regarding the registration of firms calls for mention. It is proposed that the chapter, in so far as provides machinery for registration, amendment of the register, grant of copies and so forth, should come into force along with the rest of the Bill, so that firms may apply for registration at once. The clause regarding the conclusive nature of the statements recorded in the register will come into force at the same time. However, it would obviously be unjust to make all unregistered firms and partners incapable of suing until they have had a reasonable opportunity to register; and it is proposed that they should be allowed one year, by enacting that the clause rendering them incapable of suing shall not come into force until one year after the commencement of the rest of the Act [see sub-section (3) of section 1].

25. It has already been indicated that the Bill contains other provisions which are not contained in the Partnership Act, 1890. These are considered in detail in the Notes on Clauses, but one set of provisions is important enough to justify its mention in this Report. In the introduction to Lindley page 8, it is said under the marginal head "Goodwill", "one matter of great practical importance and of some difficulty is unfortunately not dealt with *i.e.*, the goodwill of dissolved firm and the extent to which, and the persons by whom, the use of its name may be continued. Sir Frederick Pollock's Bill dealt with these points; as did also the Bill which passed the House of Commons in 1889 and the Bill which was brought into the House of Lords in 1890. But owing, it is believed, to differences of opinion, and to the difficulty of arriving at a conclusion which would be acceptable to both Houses of Parliament, the clauses relating to these subjects were struck out. The law upon them must, therefore, be extracted from judicial decisions and the doubts and difficulties which beset questions arising on these subjects must remain for future judicial or legislative solution".

Perhaps a reason for the differences of opinion on the clauses relating to goodwill was that they were framed generally, and not with application to the goodwill of firms only. Sir Frederick Pollock himself says in his Digest of the Law of Partnership (12th Edn., pp. 121-122): "The Act does not make any express provisions for disposing of the goodwill on the dissolution of a firm. Probably this is due to the consideration that the rules of law relating to goodwill are not confined to cases where a business has been carried on in partnership and, therefore, do not belong to the law of partnership in any exact sense. Nevertheless the rules have been settled chiefly by decisions in partnership cases, and the question of goodwill is one of those which ought always to be considered

and provided for in the formation of a partnership and constantly has to be considered on its dissolution, whether provided for or not".

It is considered that the views of these two eminent writers should be followed; and accordingly provision is made in the Bill for the disposal of the goodwill of a firm. [See section 55] "Provisions governing the sale of goodwill generally would be out of place, but they are of sufficient importance in their bearing on firms, to justify their inclusion in a restricted form. There is perhaps no statute on the Indian Statute Book where general provisions could find a logical place, but it is hoped that the provisions now proposed for the goodwill of firms will be found to contain principles which may be used as a general guide".

#### ACT 9 OF 1932

The Indian Partnership Bill having been passed by the Legislature received its assent on 8th April, 1932. It came on the Statute Book as THE INDIAN PARTNERSHIP ACT, 1932 (9 of 1932) (Came into force on 1-10-1932, except section 69. Section 69 came into force on 1-10-1933).

#### LIST OF AMENDING ACTS AND ADAPTATION ORDERS

1. The Repealing and Amending Act, 1934 (24 of 1934).
2. The Government of India (Adaptation of Indian Laws) Order, 1937.
3. The Repealing Act, 1938 (1 of 1938).
4. The Indian Independence (Adaptation of Central Acts and Ordinances) Order, 1947.
5. The Adaptation of Laws Order, 1950.
6. The Part B States (Laws) Act, 1951 (3 of 1951).
7. The Delegated Legislative Provisions (Amendment) Act, 1983 (20 of 1983) (w.e.f. 15-3-1984).
8. The Insolvency and Bankruptcy Code, 2016 (31 of 2016).

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# THE INDIAN PARTNERSHIP ACT, 1932

(9 of 1932)<sup>1</sup>

[8th April, 1932]

*An Act to define and amend the law relating to Partnership.*

WHEREAS it is expedient to define and amend the law relating to partnership; It is hereby enacted as follows:—

## CHAPTER I PRELIMINARY

**1. Short title, extent and commencement.**—(1) This Act may be called the Indian Partnership Act, 1932.

<sup>2</sup>(2) It extends to the whole of India <sup>3</sup>[except the State of Jammu and Kashmir].

(3) It shall come into force on the 1st day of October, 1932, except section 69, which shall come into force on the 1st day of October, 1933.

## STATE AMENDMENTS

**Dadra and Nagar Haveli.**—In section 1, for sub-section (3), substitute the following sub-section, namely:—

“(3) It shall come into force at once except section 69 which shall come into force on the 1st day of July, 1956”.

[Vide Reg. 1 of 1963, as amended by Reg. 2 of 1965.]

**Goa, Daman and Diu.**—Same as in Dadra and Nagar Haveli except for the date of enforcement of section 69 which is 1st day of January, 1965.

[Vide Reg. 11 of 1963].

**Laccadive, Minicoy and Amindivi Islands.**—In section 1, for sub-section (3), substitute the following sub-section, namely:—

“(3) It shall come into force at once except section 69, which shall come into force on the expiry of a period of one year from the date of commencement of the rest of this Act”.

[Reg. 8 of 1965, sec. 3 and Sch. 1].

**Pondicherry.**—Same as in Dadra and Nagar Haveli, except for the date of enforcement of section 69 which is 1st day of July, 1964.

[Reg. 7 of 1963, sec. 3 and Sch. 1].

1. For Statement of Objects and Reasons and for Report of Special Committee, see Gazette of India, 1931, Pt. V, p. 31 for Report of Select Committee, see Gazette of India, 1932, Pt. V, p. 7.

The Act has been applied to Berar by the Berar Laws Act, 1941 (4 of 1941).

The Act has been extended to Dadra and Nagar Haveli by Reg. 6 of 1963, sec. 2 and Sch. 1, to Pondicherry by Reg. 7 of 1963, sec. 3 and Sch. I, to Goa, Daman and Diu by Reg. 11 of 1963, sec. 3 and Sch., and to Laccadive Minicoy and Amindivi Islands by Reg. 8 of 1965, sec. 3 and Sch.

2. Subs. by the A.O. 1950, for sub-section (2).

3. Subs. by Act 3 of 1951, sec. 3 and Sch., for “except Part B States”.

**2. Definitions.**—In this Act, unless there is anything repugnant in the subject or context,—

- (a) an "act of a firm" means any act or omission by all the partners, or by any partner or agent of the firm which gives rise to a right enforceable by or against the firm;
- (b) "business" includes every trade, occupation and profession;
- (c) "prescribed" means prescribed by rules made under this Act;
- (d) "third party" used in relation to a firm or to a partner therein means any person who is not a partner in the firm; and
- (e) expressions used but not defined in this Act and defined in the Indian Contract Act, 1872 (9 of 1872), shall have the meanings assigned to them in that Act.

#### STATE AMENDMENT

**Maharashtra.**—In section 2, after clause (c), insert the following clause, namely:—

"(c-1) "Registrar" means the Registrar of Firms appointed under sub-section (1) of section 57 and includes the Deputy Registrar of Firms and Assistant Registrar of Firms appointed under sub-section (2) of that section;"

[Vide Maharashtra Act 29 of 1984, sec. 2 (w.e.f. 1-1-1985)].

#### COMMENTS

##### Necessity to constitute business

It is not necessary that there must be more than one transaction or venture. It is enough even if a single venture is capable of being carried on by two or more persons to constitute business, *N. Jagdish v. K. Venkatasatyanarayana*, AIR 1984 AP 149.

**3. Application of provisions of Act 9 of 1872.**—The unrepealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of this Act, shall continue to apply to firms.

#### CHAPTER II

#### THE NATURE OF PARTNERSHIP

**4. Definition of "partnership", "partner", "firm" and "firm name".**—"Partnership" is the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all.

Persons who have entered into partnership with one another are called individually "partners" and collectively a "firm", and the name under which their business is carried on is called the "firm name".

#### COMMENTS

##### Partnership firm

Partnership Firm is not a legal entity, like a company, it is a group of individual partners; *Comptroller & Auditor General v. Kamlesh Vadilal Mehta*, (2003) 2 SCC 349.

Firm name is only a compendious name given to the partnership and the partners are real owners of assets and partnership firm is not legal entity; *N. Khadervali Saheb v. N. Gudu Saheb*, (2003) 3 SCC 229.

A partnership firm is not a distinct legal entity and the partnership property belongs to all the partners constituting the firm; *Malabar Fisheries Co. v. I.T. Commissioner, Kerala*, AIR 1980 SC 176.

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**Test for partnership**

Although a right to participation in profits is a strong test of law, but of fact that there is a partnership, yet whether the relation not exist must depend upon the whole contract between the parties as act conclusive; *Mollow, March & Co. v. Court of Wards*, (1872) L

**5. Partnership not created by status.—**The relation of from contract and not from status;

and, in particular, the members of a Hindu undivided family business as such, or a Burmese Buddhist husband business as such, are not partners in such business.

**STATE AMENDMENT**

**Goa, Daman and Diu.**—In section 5, for the words "Burmese wife carrying on business as such", substitute the words "a husband regime of communion of property carrying on business as such".

[Vide Goa, Daman and Diu Act 6 of 1966, sec. 2 (w.e.f. 22-8-1966)].

**COMMENTS**

**Effect of cessation of Joint Hindu family**

A Hindu undivided family which is a partner in a firm, if ceases to exist or to partition then such partition will not affect the validity of the firm.

The application of registration of the firm can not be rejected, if the *ka* of the joint family being the contracting party has signed the application on the ground that the other members of the family have not signed the application for the removal of registration of the firm; *Ram Laxman Joga Mills v. CIT, Uttar Pradesh*, (1967) 66 ITR 613 (SC).

**Joint Hindu Family** share profit of a business carried on between them.

The individual members of a joint Hindu family may become partners with the individual members of another joint Hindu family; *Kshetra Mohan v. Excess Profit Tax Commissioner*, AIR 1953 SC 516.

Two Hindu joint families cannot unite to constitute a partnership, but their managing members may become partners each having rights and duties with reference to their respective families; *Udai Chand v. Than Singh*, AIR 1935 Cal 537: 157 IC 937.

**6. Mode of determining existence of partnership.**—In determining whether a group of persons is or is not a firm, or whether a person is or is not a partner in a firm, regard shall be had to the real relation between the parties, as shown by all relevant facts taken together.

**Explanation 1.**—The sharing of profits or of gross returns arising from property by persons holding a joint or common interest in that property does not of itself make such persons partners. → strong but not sufficient test to follow.

**Explanation 2.**—The receipt by a person of a share of the profits of a business, or of a payment contingent upon the earning of profits or varying with the profits earned by a business, does not of itself make him a partner with the persons carrying on the business;

and in particular, the receipt of such share or payment—

- (a) by a lender of money to persons engaged or about to engage in any business,
- (b) by a servant or agent as remuneration,

- (c) by the widow or child of a deceased partner, as annuity, or  
 (d) by a previous owner or part owner of the business, as consideration for the sale of the goodwill or share thereof,

does not of itself make the receiver a partner with the persons carrying on the business.

### COMMENTS

#### Delegation of duties

It is quite true that for a partnership it is not essential that there should be a common stock or that there should be a joint capital or stock, and the dictum that a partnership in profits is a partnership in assets by which they are made is also not universally true. It may be, and indeed it is nothing extraordinary that in a partnership concern, the duty is delegated to one partner, to decide upon what contracts should be undertaken or even to enter into contracts in his own name and to another to finance the enterprise and to a third to manage or carry out the work, but these are more or less matters of delegation; *Abdul Latiff v. Gopeswar Chatteraj*, AIR 1933 Cal 204: 56 Cal LJ 172.

#### Illegal association

When the association is itself illegal, a court cannot assist the plaintiffs in getting accounts made so that they may have their full share of the profits made by the illegal association; *Badri Prasad v. Nagarmal*, AIR 1959 SC 559.

#### Relation between partners

The mere use of word 'partner' or 'partnership' in an agreement does not necessarily show that there was a partnership. The parties may call themselves partners but if it appears that one party is to do nothing more than advance money to the other and is to be paid along with interest by a share of profits, they cannot be treated as partners, but must be treated only as creditor and debtor; *Laxmibai v. Roshan Lal*, AIR 1972 Raj 288.

A partnership, even as to third parties, is not constituted by the mere fact of two or more persons participating, or being interested in the net profits of a business; but that the existence of such partnership implies also the existence of such a relation between those persons as that each of them is a principal and each an agent for the others; *Holme v. Hammond*, (1872) LR 7 Ex. 218: 41 LJ Ex 157.

Every partner is an agent of the partnership, and his rights, powers, duties, and obligations, are in many respects governed by the same rules and principles as those of an agent: a partner virtually embraces the character of both a principal and agent. Each is a principal and each is an agent for the other, and each is bound by the other's contract in carrying on the trade, as much as a single principal would be by the act of an agent, who was to give the whole of the profits to his employer. Hence it became a test of the liability of one for the contract of another, that he is to receive the whole or a part of the profits arising from that contract by virtue of the agreement made at the time of the employment; *Cox v. Hickman*, (1860) 8 HLC 268: 9 CB (NS) 47.

**7. Partnership at will.**—Where no provision is made by contract between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is 'partnership at will'. *imp law → read from book*

**8. Particular partnership.**—A person may become a partner with another person in particular adventures or undertakings.

### CHAPTER III

#### RELATIONS OF PARTNERS TO ONE ANOTHER

**9. General duties of partners.**—Partners are bound to carry on the business of the firm to the greatest common advantage, to be just and faithful to each

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[Sec. 6, sec. 12]

The Indian Partnership Act, 1932

accounts and full information of all is legal representative.

STATE AMENDMENT

on 9, for the words "or his legal representative" representative". 29 of 1984, sec. 3 (w.e.f. 1-1-1985).

COMMENTS

with other Partners

with the utmost good faith in the dealings with other partners. In special circumstances he cannot be regarded as liable to render accounts to them in a fiduciary capacity. AIR 1967 SC 1342.

Where partner -ship in law with... for a fixed period and after the expiration of the term the firm continues to carry on business without any agreement... becomes partner ship as will

MDA Imp. feature of Partnership at will is easy dissolution

in case of loss

A court will not aid those who can be shown to have remained quiet in the hope of being able to evade responsibility in case of loss, but of being able to claim a share of gain in case of ultimate success; Gattulal v. Gulab Singh, AIR 1985 SC 547.

liable to share profits

Considering the purchased property, though not within the scope of the partnership adventure, yet connected with it indirectly, and thinking the purchase injurious to the common interest, the court held on general principles that the appellants were liable to account to their partner for any profit derived from the transaction. Trimble v. Godberg, (1906) AC 494 PC.

10. Duty to indemnify for loss caused by fraud.—Every partner shall indemnify the firm for any loss caused to it by his fraud in the conduct of the business of the firm.

11. Determination of rights and duties of partners by contract between the partners.—(1) Subject to the provisions of this Act, the mutual rights and duties of the partners of a firm may be determined by contract between the partners, and such contract may be expressed or may be implied by a course of dealing.

Such contract may be varied by consent of all the partners, and such consent may be expressed or may be implied by a course of dealing.

Agreements in restraints of trade.—(2) Notwithstanding anything contained in section 27 of the Indian Contract Act, 1872 (9 of 1872), such contracts may provide that a partner shall not carry on any business other than that of the firm while he is a partner. ; An agreement to restrain of trade is valid.

12. The conduct of the business.—Subject to contract between the partners,—

- (a) every partner has a right to take part in the conduct of the business;
- (b) every partner is bound to attend diligently to his duties in the conduct of the business;
- (c) any difference arising as to ordinary matters connected with the business may be decided by a majority of the partners, and every partner shall have the right to express his opinion, before the matter is decided, but no change may be made in the nature of the business without the consent of all the partners; and
- (d) every partner has a right to have access to and to inspect and copy any of the books of the firm.

## STATE AMENDMENT

**Maharashtra.**—In section 12,—

- (a) in clause (c), at the end, omit the word "and";
- (b) in clause (d), for the words "books of the firm", substitute the words "books of the firm; and";
- (c) after clause (d), insert the following clause, namely:—  
 "(e) in the event of the death of a partner, his heirs or legal representatives or their duly authorised agents shall have a right of access to and to inspect and copy any of the books of the firm".

[Vide Maharashtra Act 29 of 1984, sec. 4 (w.e.f. 1-1-1985)].

## COMMENTS

**Conduct of accounting partner**

If the accounting partner has not maintained accounts properly and has mixed up his private affairs with those of the partnership and when accounts submitted by him do not reflect truly the income and expenditure of the partnership, the court must order to reopen and/or reject the accounts submitted by such accounting partner; *Y. Venkanna Chowdry (died) v. G. Lakshmiddevamma*, AIR 1994 Mad 140.

**13. Mutual rights and liabilities.**—Subject to contract between the partners,—

- (a) a partner is not entitled to receive remuneration for taking part in the conduct of the business;
- (b) the partners are entitled to share equally in the profits earned, and shall contribute equally to the losses sustained by the firm;
- (c) where a partner is entitled to interest on the capital subscribed by him such interest shall be payable only out of profits;
- (d) a partner making, for the purposes of the business, any payment or advance beyond the amount of capital he has agreed to subscribe, is entitled to interest thereon at the rate of six per cent. per annum;
- (e) the firm shall indemnify a partner in respect of payments made and liabilities incurred by him—
  - (i) in the ordinary and proper conduct of the business, and
  - (ii) in doing such act, in an emergency, for the purpose of protecting the firm from loss, as would be done by a person of ordinary prudence, in his own case, under similar circumstances; and
- (f) a partner shall indemnify the firm for any loss caused to it by his wilful neglect in the conduct of the business of the firm.

## COMMENTS

**Liability to share losses**

Where partners have agreed to share the profits in certain proportions, the presumption is that the losses are also to be shared in like proportions; *M. Govinda & Co. v. Commissioner of I.T., Andhra Pradesh*, AIR 1975 SC 2284.

**14. The property of the firm.**—Subject to contract between the partners, the property of the firm includes all property and rights and interests in property originally brought into the stock of the firm, or acquired, by purchase or otherwise, by or for the firm, or for the purposes and in the course of business of the firm, and includes also the goodwill of the business.

① Right to receive remuneration is not a matter of right.  
Unless the contrary intention appears, property and rights and interests in property acquired with money belonging to the firm are deemed to have been acquired for the firm. (R. v. N. C. S.)

## COMMENTS

**Goodwill is also property of firm**

According to Section 14 all the property and assets of the firm belong to the firm and they include all the property brought into the firm assets by any partner or acquired with the partnership funds and the goodwill of the firm is included in the property of the firm. All these assets are to be valued and then distributed at the time of the final decree; *Ganpat Rai v. Abnash Chander*, AIR 1973 J&K 74.

**Property of partner**

Property exclusively belonging to a person does not become a property of the Partnership merely because it is used for the business of the Partnership. Such property will become property of the Partnership if there is an agreement; *Arm Group Enterprises Ltd. v. Waldrof Restaurant*, 2003 (1) RCR (Rent) 594 (SC).

Property of a partner, does not become partnership property merely on his permitting it to be used in partnership business; *Noor Mohd. Mir v. Qadir Mir*, AIR 1983 NOC 181.

**Tenancy right: Part of goodwill**

The tenancy right will be treated to be a part of the goodwill and belonged to the firm. The same will have to be valued along with the goodwill and taken into account at the final settlement of the accounts while passing a final decree; *Ganpat Rai v. Abnash Chander*, AIR 1973 J & K 74.

**15. Application of the property of the firm.**—Subject to contract between the partners, the property of the firm shall be held and used by the partners exclusively for the purposes of the business.

**16. Personal profits earned by partners.**—Subject to contract between the partners,—

- (a) if a partner derives any profit for himself from any transaction of the firm, or from the use of the property or business connection of the firm or the firm name, he shall account for that profit and pay it to the firm; *Civil liability of partner*
- (b) if a partner carries on any business of the same nature as and competing with that of the firm, he shall account for and pay to the firm all profits made by him in that business.

## COMMENTS

**Breach of duty**

The separate transactions were of precisely the same nature as the business carried on by the partnership and that there was thus a breach of duty of the partners concerned not to carry on like business in the same field of competition; *Pulin Bihari Roy v. Mahendra Chandra Ghosal*, (1921) 34 Cal CJ 405.

**Personnel benefits from same business**

The relationship of a partner *qua* another partner in a given case may be fiduciary. In another case, it may not be. It is presumed that when a partner transacts a business for and on behalf of the partnership, he does so for himself as well as for other partners and all benefits of any such transaction ensure for all the partners; *Y. Venkanna Chowdry (died) v. G. Lakshmidamma*, AIR 1994 Mad 140.

**Separate Accounts**

The shares in this property were equal and were consequently different from the shares in the business. This would make it necessary that the accounts of the two should not be amalgamated. It was necessary to keep a separate account as there were profits from the property and money spent upon it; *Lachhman Das v. Mt. Gulab Devi*, AIR 1936 All 270.

**17. Rights and duties of partners.**—Subject to contract between the partners—

- (a) **after a change in the firm.**—where a change occurs in the constitution of a firm, the mutual rights and duties of the partners in the reconstituted firm remain the same as they were immediately before the change, as far as may be;
- (b) **after the expiry of the term of the firm, and.**—where a firm constituted for a fixed term continues to carry on business after the expiry of that term, the mutual rights and duties of the partners remain the same as they were before the expiry, so far as they may be consistent with the incidents of partnership at will; and
- (c) **where additional undertakings are carried out.**—where a firm constituted to carry out one or more adventures or undertakings carries out other adventures or undertakings, the mutual rights and duties of the partners in respect of the other adventures or undertakings are the same as those in respect of the original adventures or undertakings.

## CHAPTER IV

## RELATIONS OF PARTNERS TO THIRD PARTIES

**18. Partner to be agent of the firm.**—Subject to the provisions of this Act, a partner is the agent of the firm for the purpose of the business of the firm.

**19. Implied authority of partner as agent of the firm.**—(1) Subject to the provisions of section 22, the act of a partner which is done to carry on, in the usual way, business of the kind carried on by the firm, binds the firm.

The authority of a partner to bind the firm conferred by this section is called his "implied authority".

(2) In the absence of any usage or custom of trade to the contrary, the implied authority of a partner does not empower him to—

- (a) submit a dispute relating to the business of the firm to arbitration,
- (b) open a banking account on behalf of the firm in his own name,
- (c) compromise or relinquish any claim or portion of a claim by the firm,
- (d) withdraw a suit or proceeding filed on behalf of the firm,
- (e) admit any liability in a suit or proceeding against the firm,
- (f) acquire immovable property on behalf of the firm,
- (g) transfer immovable property belonging to the firm, or
- (h) enter into partnership on behalf of the firm.

## COMMENTS

**Express authority is necessary**

A partner cannot compromise any claim by the firm unless there is express authority given by all the parties; *Chainraj Ramchand, Registered Partnership Firm of Bankers*, by *Partner Ramchand Lekhraj v. V.S. Narayanaswamy*, AIR 1982 Mad 326.

A payment made to a partner falls within his implied authority, but it is not within the implied authority of a partner to set off his own separate debt against the debt due to his firm; *Dalichand v. Mathuradas*, AIR 1958 Bom 428.

**Liability of Partner**

A partner who is not a party to an agreement entered into by another partner, should be made liable under the agreement for the act of the contracting partner; *Mathura Nath Choudhury v. Bhageswari Rani*, AIR 1928 Cal 57.

**20. Extension and restriction of partner's implied authority.**—The partners in a firm may, by contract between the partners, extend or restrict the implied authority of any partner.

Notwithstanding any such restriction, any act done by a partner on behalf of the firm which falls within his implied authority binds the firm, unless the person with whom he is dealing knows of the restriction or does not know or believe that partner to be a partner.

## COMMENTS

**Implied authority may be restricted**

The partners may agree that the exclusive power and control of management of the firm will rest with one of them only; *K.D. Kamath & Co. v. Commissioner of I.T.*, (1971) 82 ITR 680 (SC).

**21. Partner's authority in an emergency.**—A partner has authority, in an emergency, to do all such acts for the purpose of protecting the firm from loss as would be done by a person of ordinary prudence, in his own case, acting under similar circumstances, and such acts bind the firm.

**22. Mode of doing act to bind firm.**—In order to bind a firm, an act or instrument done or executed by a partner or other person on behalf of the firm shall be done or executed in the firm name, or in any other manner expressing or implying an intention to bind the firm.

## COMMENTS

**Act of partners bind the firm**

Where the Managing Partner had executed the promissory note with an intention and with a view to bind the firm and signed it with the seal of the firm there it can be said that Managing Partner had executed the promissory note and hence other partners of firm are also liable; *Vattumalli Narayana Rao v. Medrarapu Krishna Rao*, AIR 2003 AP 46.

**Liability of partner**

A partner is under no liability to the firm in respect of the debts subsequently incurred by other partners at a time when he was not a partner; *Tower Cabinet Co. v. Ingram*, (1949) 11 All ER 1033.

**23. Effect of admissions by a partner.**—An admission on representation made by a partner concerning the affairs of the firm is evidence against the firm, if it is made in the ordinary course of business.

**24. Effect of notice to acting partner.**—Notice to a partner, who habitually acts in the business of the firm of any matter relating to the affairs of the firm

operated by or for the firm, except in the case of a fraud on the firm committed by or for that partner.

Every partner is liable, jointly and also severally, for all acts of the firm done while he is a partner.

COMMENTS

Equal liability of partners. Where the partners is joint and several, it is open to a creditor of the firm to recover the debt from any one or more of the partners; Sahu Rajeshwar Nath v. I.T.O., Meerut (1977) 108 I.T.R. 177.

Liability of firm for wrongful acts of a partner.—Where, by the wrongful act or omission of a partner acting in the ordinary course of the business of a firm, or with the authority of his partners, loss or injury is caused to any third party, or any penalty is incurred, the firm is liable therefor to the same extent as the partner.

COMMENTS

Liability for wrongful acts. A principal is liable for the fraud or other wrongful act of his agent if committed within the scope of his employment and even the fact that the act of the agent is criminal does not necessarily take it out of the scope of his authority. Hanlyn v. Houston and Co., (1903) 1 KB 81.

27. Liability of firm for misapplication by partners.—Where— (a) a partner acting within his apparent authority receives money or property from a third party and misapplies it, or (b) a firm in the course of its business receives money or property from a third party, and the money or property is misapplied by any of the partners while it is in the custody of the firm, the firm is liable to make good the loss.

COMMENTS

Misappropriation by partner. A firm cannot be held liable for an act done by a partner if such act is beyond the scope of the apparent authority of such partner; Rhodes v. Moules, 1893 R 1710.

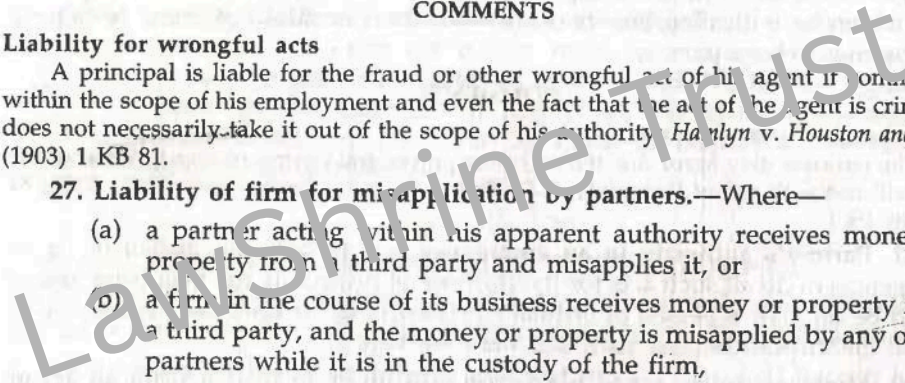
28. Holding out.—(1) Any one who by words spoken or written or by conduct represents himself or knowingly permits himself to be represented, to be a partner in a firm, is liable as a partner in that firm to any one who has on the faith of any such representation given credit to the firm, whether the person representing himself or represented to be a partner does or does not know that the representation has reached the person so giving credit.

(2) Where after a partner's death the business is continued in the old firm name, the continued use of that name or of the deceased partner's name as a part thereof shall not of itself make his legal representative or his estate liable for any act of the firm done after his death.

29. Rights of transferee or a partner's interest.—(1) A transfer by a partner of his interest in the firm, either absolute or by mortgage, or by the creation by him of a charge on such interest, does not entitle the transferee, during the continuance of the firm, to interfere in the conduct of the business, or to require

Firm can be held liable for the wrong - joint act of a partner where the act has been satisfied by partners - provided he or could be legally done with the authority of partners. The partner really in the act with full knowledge of the firm.

doctrine of holding out. Creating the liability of a firm. Under this Act.





parties for all acts of the firm done since he was admitted to the benefits of partnership, and

- (b) his share in the property and profits of the firm shall be the share to which he was entitled as a minor.
- (8) Where such person elects not to become a partner,—
- (a) his rights and liabilities shall continue to be those of a minor under this section up to the date on which he gives public notice,
- (b) his share shall not be liable for any acts of the firm done after the date of the notice, and
- (c) he shall be entitled to sue the partners for his share of the property and profits in accordance with sub-section (4).
- (9) Nothing in sub-sections (7) and (8) shall affect the provisions of section 28.

#### COMMENTS

##### Deed becomes invalid

Where a minor is made a full partner, the whole deed is invalid *vis-a-vis* all the partners and not only the minor; *I.T. Commissioner, Bombay v. Dwarkadas Khetan & Co.*, AIR 1961 SC 680.

##### Minor not liable for losses

It is clear from sub-section (2) of section 30 of the Act that a minor cannot be made liable for losses. Secondly, section 30 sub-section (4) enables a minor to sever his connection with the firm and if he does so, the amount of his share has to be determined by evaluation made, as far as possible, in accordance with the rules contained in section 48, which section visualizes capital having been contributed by partners; *C.I.T. v. Shah Mohandas Sadhuram*, AIR 1966 SC 15.

##### Minor son is not full partner

Where the widow of deceased partner entered with partnership on her own behalf as widow of the deceased and also as natural guardian of minor son, it has been held that the minor would not automatically become partner; *C.I.T. v. Kedarmal Keshardeo*, AIR 1968 Assam 68.

A partnership deed can confer benefits of partnership on minors but cannot make them full partners. The guardian can do all that is necessary to effectuate the conferment and receipt of the benefits of partnership; *C.I.T. v. Shah Mohandas Sadhuram*, AIR 1966 SC 15.

A minor admitted to the benefits of a partnership cannot be adjudicated insolvent on the basis of debts of the firm after the partnership has been dissolved on the ground that he obtained his majority after the dissolution and did not give notice under sub-section (5) that he had become or had not become a partner; *Shivagondi v. Chandrakant*, AIR 1965 SC 212.

#### CHAPTER V

#### INCOMING AND OUTGOING PARTNERS

**31. Introduction of a partner.**—(1) Subject to contract between the partners and to the provisions of section 30, no person shall be introduced as a partner into a firm without the consent of all the existing partners.

(2) Subject to the provisions of section 30, a person who is introduced as a partner into a firm does not thereby become liable for any act of the firm done before he became a partner.

## COMMENTS

**Partnership of two partners**

This section does not apply to a partnership of two partners dissolved by the death of one of them. In this event there is no new partner to be introduced into it without the consent of other partners. *Seth Govindram Sugar Mills, AIR 1966 SC 24.*

32. Retirement of a partner.—(1) A partner may retire

- FF-10  
SL-7
- (a) with the consent of all the other partners,
  - (b) in accordance with an express agreement between the partners,
  - (c) where the partnership is at will, by giving notice to all the other partners of his intention to retire.

(2) A retiring partner may be discharged from any liability to a third party for acts of the firm done before his retirement by an agreement made by him with such third party and the partners of the reconstituted firm, and such agreement may be implied by a course of dealing between such third party and the reconstituted firm after he had knowledge of the retirement.

(3) Notwithstanding the retirement of a partner from a firm he and the partners continue to be liable as partners to third parties for any act done by any of them which would have been an act of the firm if done before the retirement, until public notice is given of the retirement.

Provided that a retired partner is not liable to any third party who deals with the firm without knowing that he was a partner.

(4) Notices under sub-section (3) may be given by the retired partner or by any partner of the reconstituted firm.

## COMMENTS

**Liability through estoppel only**

A retired partner's liability to a third party arises by estoppel only; it is not a joint liability with the members of the old firm. The customer could elect to sue either the late partner or the new firm. He could not sue all of them; *Scarf v. Jardine, (1882) 7 App Cas 345.*

**Meaning of retirement**

Where the partner retired as per the terms of contract on being not satisfied with the management, it was held that it did not amount to expulsion but only retirement from the partnership; *N. Satyanarayana Murthy v. M. Venkata Bala Krishnamurthy, AIR 1989 AP 167.*

**Notice of retirement**

A partner who has retired is not liable even if no public notice of his retirement has been given, though creditors were informed individually; *Jain Nautamal V. Wadhwan v. Shri Vivekanand Cooperative Housing Society, AIR 1986 Guj 162.*

Retiring partner is required to give notice of his retirement to various class of persons, who might enter into transaction with the partnership firm; *H. Manjunatha Nayak v. Ullal Dayananda, AIR 1984 Kant 55.*

Without dissolving the firm and continuing the ongoing business, a partner may retire from the partnership; a situation clearly comprehended by section 32 and incorporated as a term of contract of the partnership between the parties to the contract; *Vishnu Chandra v. Chandrika Prasad Aggarwal, AIR 1983 SC 523.*

In which  
In law of :-

Retirement

insolvency

Death

a partner  
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partner

without

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of the firm.

atically  
for any  
of I.T. v.

Law Shrine Trust

**33. Expulsion of a partner.**—(1) A partner may not be expelled from a firm by any majority of the partners, save in the exercise in good faith of powers conferred by contract between the partners.

(2) The provisions of sub-sections (2), (3) and (4) of section 32 shall apply to an expelled partner as if he were a retired partner.

**34. Insolvency of a partner.**—(1) Where a partner in a firm is adjudicated an insolvent he ceases to be a partner on the date on which the order of adjudication is made, whether or not the firm is hereby dissolved.

(2) Where under a contract between the partners the firm is not dissolved by the adjudication of a partner as an insolvent, the estate of a partner so adjudicated is not liable for any act of the firm and the firm is not liable for any act of the insolvent, done after the date on which the order of adjudication is made.

**35. Liability of estate of deceased partner.**—Where under a contract between the partners the firm is not dissolved by the death of a partner, the estate of a deceased partner is not liable for any act of the firm done after his death.

#### COMMENTS

##### Effect of dissolving partnership on deceased partner

In the absence of a contrary agreement, death of a partner has the effect of dissolving the partnership. The estate of deceased partner, cannot, therefore, be held liable for the obligations of the firm incurred for the first time after the death of the deceased partner; *In the matter of Bank of Rajasthan Ltd.*, AIR 1962 Tripura 30.

**36. Right of outgoing partner to carry on competing business.**—(1) An outgoing partner may carry on a business competing with that of the firm and he may advertise such business, but, subject to contract to the contrary, he may not,—

- (a) use the firm name,
- (b) represent himself as carrying on the business of the firm, or
- (c) solicit the custom of persons who were dealing with the firm before he ceased to be a partner.

**Agreements in restraint of trade.**—(2) A partner may make an agreement with his partners that on ceasing to be a partner he will not carry on any business similar to that of the firm within a specified period or within a specified local limits; and, notwithstanding anything contained in section 27 of the Indian Contract Act, 1872 (9 of 1872), such agreement shall be valid if the restrictions imposed are reasonable.

**37. Right of outgoing partner in certain cases to share subsequent profits.**—Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with the property of the firm without any final settlement of accounts as between them and the outgoing partner or his estate, then, in the absence of a contract to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since he ceased to be a partner as may be attributable to the use of his share of the property of the firm or to interest at the rate of six per cent. per annum on the amount of his share in the property of the firm:

Provided that whereby contract between the partners surviving or continuing partners to purchase the interest of an outgoing partner, and that option is duly exercised, the partner, or the outgoing partner or his estate, as the case may be, shall not be entitled to any further or other share of profits; but if any partner exercises the option does not in all material respects conform therewith, he is liable to account under the foregoing provisions of this section.

On death of a sole proprietor his heirs automatically become the partners of old firm  
↓  
Partnership

## COMMENTS

**Accounts must be made available**

The right and/or the option conferred by the provisions of section 37 of the Act in respect of the estate of the deceased partner cannot be properly exercised until the accounts of the business are made available and as such the estate of a deceased partner may make the election until the profit earned in respect of the share of the deceased partner is ascertained. On dissolution of the firm, they will be entitled to exercise their option conferred by section 37 when the accounts of the dissolved firm would be taken in accordance with the provisions of section 48 of the Partnership Act; *Tilokram Ghosh v. Gita Rani*, AIR 1989 Cal 254 (258).

**Limitations**

Section 37 does not contemplate the dissolution of firm by a notice under section 43. A suit by an individual partner for continuing of business, when other partners are seeking dissolution, is not hit by section 37; *M.C. Sharma v. B.C. Sharma*, AIR 1986 All 69.

**38. Revocation of continuing guarantee by change in firm.**—A continuing guarantee given to a firm, or to a third party in respect of the transactions of a firm, is, in the absence of agreement to the contrary, revoked as to future transactions from the date of any change in the constitution of the firm.

## CHAPTER VI

## DISSOLUTION OF A FIRM

**39. Dissolution of a firm.**—The dissolution of partnership between all the partners of a firm is called the 'dissolution of the firm'.

**40. Dissolution by agreement.**—A firm may be dissolved with the consent of all the partners or in accordance with a contract between the partners.

## COMMENTS

**Notice to dissolve the deed**

In case of Dissolution of Partnership, firm may be dissolved by any partner giving notice in writing to all the other partners of his intention to dissolve the firm; *P. Venkateswarlu v. Lakshmi Narasima Rao (died)*, AIR 2002 AP 62.

**Partnership beyond the expiry of term**

The High Court has proceeded on the premise that in spite of the term of the partnership coming to an end by expiry of the contracted term if the partners have continued the business beyond the expiry of the term limited by the contract and without having expressly entered into a partnership agreement afresh, the relationship shall continue to exist and govern the parties so long as the business continues: *Firm Ashok Traders v. Gurumukh Das Saluja*, (2004) 3 SCC 155.

**41. Compulsory dissolution.**—A firm is dissolved,—

[\*\*\*]

1. Clause (a) omitted by Act 31 of 2016, sec. 245 and First Sch. Clause (a), before omission, stood as under:

"(a) by the adjudication of all the partners or of all the partners but one as insolvent, or"

- ~~(b)~~ by the happening of any event which makes it unlawful for the business of the firm to be carried on or for the partners to carry it on in partnership:

Provided that, where more than one separate adventure or undertaking is carried on by the firm the illegality of one or more shall not of itself cause the dissolution of the firm in respect of its lawful adventures and undertakings.

42. **Dissolution on the happening of certain contingencies.**—Subject to contract between the partners a firm is dissolved,—

- ~~(a)~~ if constituted for a fixed term, by the expiry of that term;  
~~(b)~~ if constituted to carry out one or more adventures or undertakings, by the completion thereof;  
~~(c)~~ by the death of a partner; and  
~~(d)~~ by the adjudication of a partner as an insolvent.

#### COMMENTS

##### Change in constitution of firm

Where a clause in partnership deed provided that firm does not automatically stand dissolved on the death of a partner, widow of the deceased partner joined the firm and fresh deed of partnership was executed, it was held that it constitutes change in the constitution of firm; *Noor Mohammad v. C.I.T.*, (1991) 191 ITR 550 (All).

##### Partnership of two partners

(i) When there are only two partners constituting the partnership firm on the death of one of them, the firm is deemed to be dissolved despite the existence of a clause which says otherwise; *Mohd. Laiquiddin v. Kamla Devi Misra*, (2010) 2 SCC 407; J1 2010 (1) SC 440: (2010) 1 SCALE 227.

(ii) This section does not apply to a partnership of two partners. There cannot be a contract between the partners that on the death of one of them, the partnership will not be dissolved; *Commissioner of I.T. v. Seth Gopindram Sugar Mills*, AIR 1966 SC 24.

43. **Dissolution by notice of partnership at will.**—(1) Where the partnership is at will, the firm may be dissolved by any partner giving notice in writing to all the other partners of his intention to dissolve the firm.

(2) The firm is dissolved as from the date mentioned in the notice as the date of dissolution or, if no date is so mentioned, as from the date of the communication of the notice.

#### COMMENTS

##### Civil suit can be filed

A firm may be dissolved by any partner giving notice in writing under the provision of section 43, but nothing is indicated in the section to say that partner is prevented from approaching the civil court seeking appropriate remedy. Thus section 43 does not bar initiation of civil suit; *A. Chinna Ramanathan Naidu v. B. Subbarami Reddy*, AIR 1994 NOC 26 (AP).

##### Dissolution of Partnership at will

Partnership was partnership at will and was dissolved by notice given by plaintiff who was a partner. Period of limitation is three years beginning from the date of dissolution of partnership; *L.Rs. of Ram Prashad v. Smt. Mayu Devi*, AIR 2013 Raj 172.

##### Notice to dissolve the deed

The Partnership Act provides that if the firm is at will it can be dissolved by the partner or partners by giving notice in accordance with the provisions of sub-sections (1) and (2) of the Act; *Tilokram Ghosh v. Gita Rani*, AIR 1989 Cal 254.

44. **Dissolution by the Court.**—At the suit of a partner, the Court may dissolve a firm on any of the following grounds, namely:—

- (a) that a partner has become of unsound mind, in which case the suit may be brought as well by the next friend of the partner who has become of unsound mind as by any other partner;

- dormant partner  
 ↓  
 Who has never  
 taken part in  
 the conduct of  
 the business  
 as a partner  
 but is liable  
 for the act of  
 the firm
- (b) that a partner, other than the partner suing, permanently incapable of performing his duties in any way
- (c) that a partner, other than the partner suing, which is likely to affect prejudicially the carrying on of the business, conduct business, regard being had to the nature of the business
- (d) that a partner, other than the partner suing, commits breach of agreements relating to the affairs of the firm or the conduct of its business, or conducts himself in matters relating to the business in a manner which is not reasonably practicable for the other partners to tolerate in partnership with him; business
- (e) that a partner, other than the partner suing, has transferred the whole or any part of his interest in the firm to a third party, or has allowed his share to be charged under the provisions of rule 49 of Order XXI of the First Schedule to the Code of Civil Procedure, 1908 (5 of 1908) or has allowed it to be sold in the recovery of arrears of land revenue or of any dues recoverable as arrears of land revenue due by the partner;
- (f) that the business of the firm cannot be carried on save at a loss; or
- (g) on any other ground which renders it just and equitable that the firm should be dissolved.

## COMMENT:

**Assets and liabilities on dissolution**

It is quite conceivable that in cases of dissolution of the firm brought about by a notice under S. 43 or by an order of the court under section 44, some of the erstwhile partners may take their assets and liabilities and carry on the same business by constituting a new firm; *C.I.T. v. Pigot Champaign & Co.*, AIR 1982 SC 1085.

**Discretion of the Court**

A partner's claim to a decree for dissolution rests in its origin not on contract but on his inherent right to invoke the court's protection on equitable grounds in spite of the terms in which the rights and obligations of the partners might have been defined by the partnership contract. The court has of course a discretion in a matter like this; but that discretion cannot be fettered by any rigid rules and must depend on the facts and circumstances of each case. A partnership is always established in order to attain a given objective. When it becomes no longer possible to attain that objective with which the partnership was started, then the partnership is made out for dissolution which may be the only remedy under the circumstances; *Surnaj Bahadur v. Mahadeo*, AIR 1963 Raj 241.

**Firm at loss**

Under clause (f) of section 44, it is required to be proved that the business of the firm cannot be carried on save at a loss; *Chandrika Prasad Aggarwal v. Vishnu Chandra*, 1981 All LJ 967.

**When grounds for dissolution are numerous**

Under section 44 if grounds for dissolution of the firm sought by a particular party are numerous, it could be open to such party to approach a competent civil court, so that the entire matter could be decided by that court on the basis of oral and documentary evidence. Even if one of the clauses of the partnership deed envisages referring the disputes to the named arbitrators, then also the fact that arbitrators are chosen by both the parties and a date was also fixed for the arbitrators to decide the matter, cannot be a

ground for seeking stay of further proceedings in the regular suit filed for a comprehensive relief; *A. Chinna Ramanatham Naidu v. B. Subbarami Reddy*, AIR 1994 NOC 26 (AP).

**45. Liability for acts of partners done after dissolution.—**

(1) Notwithstanding the dissolution of a firm, the partners continue to be liable as such to third parties for any act done by any of them which would have been an act of the firm if done before the dissolution, until public notice is given of the dissolution:

Provided that the estate of a partner who dies, or who is adjudicated an insolvent, or of a partner who, not having been known to the person dealing with the firm to be a partner, retires from the firm, is not liable under this section for acts done after the date on which he ceases to be a partner.

(2) Notices under sub-section (1) may be given by any partner.

**COMMENTS**

**Share in the partnership assets**

On dissolution of the firm, the partnership assets would devolve upon its partners or the representatives of the partners as tenants-in-common. It would mean that each person getting his or her share in the partnership assets would be getting his distinct share therein even if the partnership assets remain undivided. *Pannunnd Yadilal Vasani v. State of Gujarat*, AIR 1994 Guj 206.

**Liability to third parties for acts before dissolution.**

This section provides that notwithstanding dissolution the partners continue to be liable to parties, for any act done by any of them which would have been an act of the firm if done before its dissolution until public notice of the dissolution. This section thus makes it clear that partners continue to be liable to third parties until public notice is given of the dissolution; *Mayo Pharmacy v. Aboobacker Haji*, 1990 (1) KLT 153.

**46. Right of partners to have business wound up after dissolution.—**On the dissolution of a firm every partner or his representative is entitled, as against all the other partners or their representatives, to have the property of the firm applied in payment of the debts and liabilities of the firm, and to have the surplus distributed among the partners or their representatives according to their rights.

**47. Continuing authority of partners for purposes of winding up.—**After the dissolution of a firm the authority of each partner to bind the firm, and the other mutual rights and obligations of the partners continue notwithstanding the dissolution, so far as may be necessary to wind up the affair of the firm and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise:

Provided that the firm is in no case bound by the acts of a partner who has been adjudicated insolvent; but this proviso does not affect the liability of any person who has after the adjudication represented himself or knowingly permitted himself to be represented as a partner of the insolvent.

**48. Mode of settlement of accounts between partners.—**In settling the accounts of a firm after dissolution, the following rules shall, subject to agreement by the partners, be observed:—

(a) losses, including deficiencies of capital, shall be paid first out of and, lastly, if necessary, by the partners

A, B, C → Partners of a firm. D retires and  
 X admitted as new partner. The firm  
 did not give public notice. D continues  
 deals with the firm after the change & debts  
 → D can sue A, B, C & X

- individually in the proportions in which they were entitled to share profits;
- (b) the assets of the firm, including any sums contributed by the partners to make up deficiencies of capital, shall be applied in the following manner and order:—
- (i) in paying the debts of the firm to third parties;
  - (ii) in paying to each partner rateably what is due to him from the firm for advances as distinguished from capital;
  - (iii) in paying to each partner rateably what is due to him on account of capital; and
  - (iv) the residue, if any, shall be divided among the partners in the proportions in which they were entitled to share profits.

#### COMMENTS

##### Refund of capital contributed

Section 48(b)(iii) provides for the refund of the actual capital contributed and if the available assets are insufficient to refund the said amount, a rateably reduced amount shall have to be refunded. The term 'capital' referred here, has the same meaning as referred elsewhere in the Act; it can not be equated to the term "assets" of the firm at all. Capital contributed by a partner is in the nature of the advance or loan advanced to the firm by a partner; it has no higher quality at all. Just as the loan advanced by the partner does not get expanded in proportion to the enhanced value of the assets the capital contributed by a partner also does not get augmented in proportion to the assets of the firm; *K.A. Gundu Rao v. Shri Ramnarayan Avadhani*, AIR 1994 Kant 217.

The distribution of surplus is for the purpose of adjustment of the rights of the partners in the assets of the partnership, it does not amount to transfer of assets; *Commissioner of I.T., M.P. v. Dewas Cine Corporation*, AIR 1968 SC 676.

##### Value of share of outgoing partner

In cases where there is an agreement to purchase the share of a partner, the value of the share of the outgoing partner or retiring partner shall be ascertained on the basis of the value on the date of the retirement, unless it is a case where the valuation is directed by the court in the exercise of its discretion, in which event the relevant date will be the date on which the share is actually valued; *Chillakam Chandrasekhar Reddy v. Pamuru Vishnu Vinodh Reddy*, AIR 1995 AP 49.

**49. Payment of firm debts and of separate debts.**—Where there are joint debts due from the firm, and also separate debts due from any partner, the property of the firm shall be applied in the first instance in payment of the debts of the firm, and, if there is any surplus, then the share of each partner shall be applied in payment of his separate debts or paid to him. The separate property of any partner shall be applied first in the payment of his separate debts, and the surplus (if any) in the payment of the debts of the firm.

**50. Personal profits earned after dissolution.**—Subject to contract between the partners, the provisions of clause (a) of section 16 shall apply to transactions by any surviving partner or by the representatives of a deceased partner, undertaken after the firm is dissolved on account of the death of a partner and before its affairs have been completely wound up:

Provided that where any partner or his representative has brought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.

**51. Return of premium on premature dissolution.**—Where a partner has paid a premium on entering into partnership of a fixed term, and the firm is dissolved before the expiration of that term otherwise than by the death of a partner, he shall be entitled to repayment of the premium or of such part thereof as may be reasonable, regard being had to the terms upon which he became a partner and to the length of time during which he was partner, unless,—

- (a) the dissolution is mainly due to his own misconduct, or
- (b) the dissolution is in pursuance of an agreement containing no provision for the return of the premium or any part of it.

**52. Rights where partnership contract is rescinded for fraud or misrepresentation.**—Where a contract creating partnership is rescinded on the ground of the fraud or misrepresentation of any of the parties thereto the party entitled to rescind is, without prejudice to any other right, entitled,—

- (a) to a lien on, or a right of retention of, the surplus or the assets of the firm remaining after the debts of the firm have been paid, for any sum paid by him for the purchase of a share in the firm and for any capital contributed by him;
- (b) to rank as a creditor of the firm in respect of any payment made by him towards the debts of the firm; and
- (c) to be indemnified by the partner or partners guilty of the fraud or misrepresentation against all the debts of the firm.

**53. Right to restrain from use of firm name or firm property.**—After a firm is dissolved, every partner or his representative may, in the absence of a contract between the partners to the contrary, restrain any other partner or his representative from carrying on a similar business in the firm name or from using any of the property of the firm for his own benefit, until the affairs of the firm have been completely wound up:

Provided that where any partner or his representative has bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.

#### COMMENTS

##### Purchasing of firm's name

After the firm is dissolved every partner or his representative has a right in the absence of contract between the partners to the contrary, to restrain any other partner or his representatives from carrying on similar business in the firm name or to use any of the properties of the firm for his own benefit unless the affairs of the firm have been completely wound up. However, the firm's name can be purchased and thereafter used. This is the import of section 53 of the Partnership Act; *Rajendra Kumar Sharma v. Brijendra Kumar Sharma*, AIR 1994 All 62.

**54. Agreements of restraint of trade.**—Partners may, upon or in anticipation of the dissolution of the firm, make an agreement that some or all of them will not carry on a business similar to that of the firm within a specified period or within specified local limits; and notwithstanding anything contained in section 27 of the Indian Contract Act, 1872 (9 of 1872), such agreement shall be valid if the restrictions imposed are reasonable.

**55. Sale of goodwill after dissolution.**—(1) In settling the accounts of a firm after dissolution, the goodwill shall, subject to contract between the partners, be included in the assets, and it may be sold either separately or along with other property of the firm.

**Rights of buyer and seller of goodwill.**—(2) Where the goodwill of a firm is sold after dissolution, a partner may carry on a business competing with that of the buyer and he may advertise such business, but, subject to agreement between him and the buyer, he may not,—

- (a) use the firm name,
- (b) represent himself as carrying on the business of the firm, or
- (c) solicit the custom of persons who were dealing with the firm before its dissolution.

**Agreements in restraint of trade.**—(3) Any partner may, upon the sale of the goodwill of a firm, make an agreement with the buyer that such partner will not carry on any business similar to that of the firm within a specified period or within specified local limits and, notwithstanding anything contained in section 27 of the Indian Contract Act, 1872 (9 of 1872), such agreement shall be valid if the restrictions imposed are reasonable.

#### COMMENTS

##### Significance of "goodwill"

The term "goodwill" signifies the values of the business in the hands of a successor, so far as increased by the continuity of the undertaking being preserved in the shape of the right to use the old name and otherwise. The goodwill is generally considered to be an asset of the partnership. Whenever a firm is dissolved, the value of the goodwill has to be worked out and divided between the partners. The High Court had assigned sufficient and cogent reasons for awarding a sum towards the plaintiff's share in goodwill; *Ramnik Vallabhdas Madhvani v. Taraben Pravinlal Madhvani*, (2004) 1 SCC 497.

#### CHAPTER VII

##### REGISTRATION OF FIRMS — Not compulsory

**56. Power to exempt from application of this Chapter.**—The <sup>1</sup>[State Government of any State] may, by notification in the Official Gazette, direct that the provisions of this Chapter shall not apply to <sup>2</sup>[that State] or to any part thereof specified in the notification.

**57. Appointment of Registrars.**—(1) The State Government may appoint Registrars of Firms for the purposes of this Act, and may define the areas within which they shall exercise their powers and perform their duties.

(2) Every Registrar shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (45 of 1860).

#### STATE AMENDMENTS

**Maharashtra.**—For section 57, substitute the following section, namely,—

"57. *Appointment of Registrar of Firms and Deputy Assistant Registrars of Firms.*—(1) The State Government may, by notification in the Official Gazette,

1. Subs. by the A.O. 1937, for "Governor General in Council".
2. Subs. by the A.O. 1937, for "any Province".

appoint a Registrar of Firms who shall exercise, perform and discharge the powers, functions and duties of the Registrar under this Act throughout the State of Maharashtra.

(2) The State Government may likewise appoint one or more Deputy Registrars of Firms and Assistant Registrars of Firms who shall exercise, perform and discharge all or such of the powers, functions and duties of the Registrar and in such areas as the State Government may, by notification in the Official Gazette, specify.

(3) The officers appointed under sub-section (1) and sub-section (2) shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code<sup>1</sup>.

[Vide Maharashtra Act 29 of 1984, sec. 5 (w.e.f. 1-5-1985)].

**Uttar Pradesh.**—For section 57, substitute the following section, namely,—

*"57. Appointment of Registrar, Deputy Registrars and Assistant Registrars.*—(1) The State Government may, by notification, appoint a Registrar of Firms who shall exercise, perform and discharge the powers, functions and duties of the Registrar under this Act throughout the State of Uttar Pradesh.

(2) The State Government may likewise appoint one or more Deputy Registrars of Firms and Assistant Registrars of Firms who shall exercise, perform and discharge all or such of the powers, functions and duties of the Registrar and in such areas as are notified in the notification.

(3) The officers appointed under sub-section (1) or sub-section (2) shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860)."

[Vide Uttar Pradesh Act 34 of 1979, sec. 2 (w.e.f. 22-10-1979)].

**58. Application for registration.**—(1) The registration of a firm may be effected at any time by sending by post or delivering to the Registrar of the area in which any place of business of the firm is situated or proposed to be situated, a statement in the prescribed form and accompanied by the prescribed fee, stating,—

- (a) the firm name,
- (b) the place or principal place of business of the firm,
- (c) the names of any other places where the firm carries on business,
- (d) the date when each partner joined the firm,
- (e) the names in full and permanent addresses of the partners, and
- (f) the duration of the firm.

The statement shall be signed by all the partners, or by their agents specially authorised in this behalf.

(2) Each person signing the statement shall also verify it in the manner prescribed.

(3) A firm name shall not contain any of the following words, namely:—

"Crown", "Emperor", "Empress", "Empire", "Imperial", "King", "Queen", "Royal", or words expressing or implying the sanction, approval or patronage of <sup>1</sup>[Government], except

1. The words "the Crown or the Government of India or a Local Government", have been successively adapted by the A.O. 1937, the A.O. 1948 and the A.O. 1950 to read as above.

<sup>1</sup>[when the State Government] signifies <sup>2</sup>[its] consent to the use of such words as part of the firm name by order in writing <sup>3</sup>[\*\*\*].

#### STATE AMENDMENTS

**Goa, Daman and Diu.**—In section 58,—

(i) for sub-section (3), substitute the following sub-section, namely:—

“(3) No firm shall be registered by a name which in the opinion of the Registrar is undesirable”.

(ii) after sub-section (3), insert the following sub-sections:—

“(4) Any person aggrieved by an order of the Registrar under sub-section (3) may, within 30 days from the date of communication of such order, appeal to the State Government whose decision shall be final.

(5) A firm’s name shall not contain any of the following words, namely, Union, State, President, Republic, Governor or words expressing or implying sanction, approval or patronage of Government unless the Government of Goa, Daman and Diu signifies, by order in writing, its consent to the use of such words as part of the firm’s name:

Provided that nothing in this sub-section shall apply to any firm carrying on business under any such name, before the date of the commencement of the Indian Partnership (Goa, Daman and Diu Amendment) Act, 1966

(6) Any person who contravenes the provisions of sub-section (5) shall be punishable with fine which may extend to five hundred rupees”.

[Vide Goa, Daman and Diu Act 6 of 1966, s.c. 3 (v.e.f. 22-8-1966)].

**Maharashtra.**—In section 58,—

(a) in sub-section (1),

(i) for the words “The registration of a firm”, substitute the words, brackets, figure and letter “Subject to the provisions of sub-section (1A), the registration of a firm”;

(ii) Omit the words “at any time”;

(iii) after the words “prescribed fee”, insert the words “and a true copy of the deed of partnership”;

(iv) after clause (a), insert the following clause, namely:—

“(aa) the nature of business of the firm;”;

(b) after sub-section (1), insert the following sub-section, namely:—

“(1A) The statement under sub-section (1) shall be sent or delivered to the Registrar within a period of one year from the date of constitution of the firm:

Provided that in the case of any firm carrying on business on or before the date of commencement of the Indian Partnership (Maharashtra Amendment) Act, 1984 (Maharashtra Act 29 of 1984), such statement shall be sent or delivered to the Registrar within a period of one year from such date.”;

(c) for sub-section (3), substitute the following sub-sections, namely:—

“(3) A firm shall not have any of the names or emblems specified in the Schedule to the Emblems and Names (Prevention of Improper Use) Act, 1950 (12 of 1950), or any colourable imitation thereof, unless permitted so to do under that Act, or any name which is likely to be associated by the public with

1. Subs. by the A.O. 1937, for “when the Governor General in Council”.

2. Subs. by the A.O. 1937, for “his”.

3. The words “under the hand of one of the Secretaries of the Government of India” omitted by the A.O. 1937.

the name of any other firm on account of similarity, or any name which, in the opinion of the Registrar for reasons to be recorded in writing, is undesirable:

Provided that nothing in this sub-section shall apply to any firm registered under any such name before the date of the commencement of the Indian Partnership (Maharashtra Amendment) Act, 1984 (Maharashtra Act 29 of 1984).

(4) Any person aggrieved by an order of the Registrar under sub-section (3) may, within 30 days from the date of communication of such order, appeal to the officer not below the rank of Deputy Secretary to Government authorised by the State Government in this behalf, in such manner, and on payment of such fee, as may be prescribed. On receipt of any such appeal, the authorised officer shall, after giving an opportunity of being heard to the appellant decide the appeal, and his decision shall be final."

[Vide Maharashtra Act 29 of 1984, sec. 6 (w.e.f. 1-1-1985)].

**Pondicherry.**—In section 58, for sub-section (3), substitute the following sub-sections, namely:—

"(3) The Registrar shall refuse to register—

- (a) a firm under sub-section (1) or
- (b) an alteration of the firm name,

if the proposed name or alteration of the firm name is identical with the name of which any other existing firm has been registered or in the opinion of the Registrar so nearly resembles such other names as to be likely to deceive or mislead the public or the members of either firm.

(4) Any person who is aggrieved by an order of Registrar under sub-section (3) may file an appeal before such person or authority, in such manner, within such time and on payment of such fees as may be prescribed. The appeal shall be heard and decided in such manner as may be prescribed."

[Vide Pondicherry Act 8 of 1969, sec. 2 (w.e.f. 1-1-1970)].

**Rajasthan.**—In section 58, for sub-section (3), substitute the following sub-sections, namely:—

"(3) No firm shall be registered by a name which, in the opinion of the State Government, is undesirable.

(4) Except with the previous sanction, in writing, of the State Government, no firm shall be registered by a name which contains any of the following words, namely:—

- (a) 'Union', 'State', 'President', 'Republic' or any word expressing or implying the sanction, approval or patronage of the Central or any State Government; and
- (b) 'Municipal', 'Chartered' or any word which suggests or is calculated to suggest connection with any municipality or local authority:

Provided that nothing in this sub-section shall apply to any firm registered before the date of commencement of the Indian Partnership (Rajasthan Amendment) Act, 1971."

[Vide Rajasthan Act 10 of 1971, sec. 2 (w.e.f. 15-9-1971)].

**Tamil Nadu.**—Same as in Rajasthan, except that in the proviso to sub-section (4), for the words "Indian Partnership (Rajasthan Amendment) Act, 1971" substitute the words "Indian Partnership (Madras Amendment) Act, 1965".

[Vide Tamil Nadu Act 35 of 1965, sec. 2 (w.e.f. 1-4-1966)].

## COMMENTS

**Effective date of registration**

It is true that sub-section (1) of section 58 employs language which without anything more may lend support to the view that the registration of a firm may be effected merely by sending an application, which would mean that as soon as an application is sent and if entry is made under section 59 pursuant to it, the registration would be effective from the date when the application was presented. But section 58(1) is not to be read in isolation and has to be considered along with the scheme of the other provisions of the Act, namely section 59 and section 69; *CIT v. Jayalakshmi Rice and Oil Mills*, AIR 1971 SC 1015.

**59. Registration.**—When the Registrar is satisfied that the provisions of section 58 have been duly complied with, he shall record an entry of the statement in a register called the Register of Firms, and shall file the statement<sup>1</sup>.

## STATE AMENDMENTS

**Maharashtra.**—Renumber section 59 as sub-section (1) of that section, and,—

- (a) in sub-section (1) as so renumbered, after the words "file the statement", insert the words "on the date such entry is recorded and such statement is filed, the firm shall be deemed to be registered,";
- (b) after sub-section (1) as so renumbered, insert the following sub-section, namely:—

"(2) The firm, which is registered, shall use the brackets and word "(Registered)" immediately after its name".

[Vide Maharashtra Act 29 of 1984, sec. 7 (w.e.f. 1-1-85)].

## Section 5A

**Andhra Pradesh.**—After section 59, insert the following section, namely:—

"59A. *Amendment of the Register of Firms.*—(1) Notwithstanding anything in this Chapter, the Registrar of Firms, Andhra Pradesh, may, by order in writing, amend the register by deleting therefrom the entries relating to any firm, whose place of business has, by virtue of the provisions contained in the States Reorganisation Act, 1956 and the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959, ceased to be in the Andhra Pradesh; the Registrar may likewise amend the register by adding thereto the entries relating to any firm included in the register of another State but, whose place of business has, by reason of the said provisions, become included in the State of Andhra Pradesh:

Provided that the Registrar shall, before passing an order under this sub-section, give to the firm concerned an opportunity of making its representation, if any.

(2) The Registrar shall cease to perform the functions of a Registrar under the Act in respect of any firm the entries relating to which are deleted as aforesaid and shall perform the functions of a Registrar under the Act in respect of any firm the entries relating to which are added as aforesaid.

(3) Any person aggrieved by an order under sub-section (1) may appeal to such authority and within such time as may be specified in this behalf by an order made by the Government of the Andhra Pradesh, and such Authority shall pass such order on the appeal as it thinks fit.

1. In its application to the State of Madras, sec. 59A has been inserted by the Madras Added Territories (Adaptation of Laws) Order, 1961.

(4) An order of the Registrar under sub-section (1), or where an appeal has been preferred against it under sub-section (3), the order of the appellate authority, shall be final."

[Vide Andhra Pradesh Act 7 of 1965, sec. 2 (w.e.f. 10-3-1965)].

**Kerala.**—After section 59, insert the following section, namely:—

"59A. *Amendment of Register.*—(1) Notwithstanding anything contained in this Chapter, the Registrar of Firms appointed by the State of Kerala may, by order in writing, amend the register by deleting therefrom the entries relating to any firm whose place of business has, by reason of the reorganisation of States, ceased to be situated in the State of Kerala.

The Registrar may likewise amend the register by adding thereto the entries relating to any firm included in the register of the State of Madras but whose place of business has, by reason of the said reorganisation of States, become part of the State of Kerala:

Provided that the Registrar shall, before passing an order, make such inquiry as he deems necessary.

(2) After such amendment the Registrar shall cease to perform the functions of a Registrar in respect of any firm the entries relating to which have been deleted as aforesaid and shall perform all the functions of a Registrar in respect of all firms the entries relating to which are added as aforesaid.

(3) Any person aggrieved by an order under sub-section (1) may appeal to such authority and within such time as may be specified in this behalf by the State Government of Kerala, and such authority shall pass such order on the appeal as it thinks fit.

(4) An order of the Registrar under sub-section (1), or where an appeal has been preferred against it under sub-section (3), the order of the appellate authority, shall be final.

(5) The provisions of this section shall cease to be in force from such date as the State Government of Kerala may, by notification in the Gazette, appoint."

[Vide Kerala Adaptation of Laws (No. 2) Order, 1957 (w.e.f. 30-10-1957)].

**Madhya Pradesh.**—After section 59, insert the following section, namely:—

"59A. (1) Notwithstanding anything contained in this Chapter, the Registrar of Firms appointed by the State of Madhya Pradesh may, by order in writing, amend the register by deleting therefrom the entries relating to any firm, whose place of business has, by reason of the reorganisation of States, ceased to be situated in the State of Madhya Pradesh.

The Registrar may likewise amend the register by adding thereto the entries relating to any firm included in the register of another State but whose place of business has, by reason of the said reorganisation of States, become part of the State of Madhya Pradesh:

Provided that the Registrar shall, before passing an order, make such inquiry as he deems necessary.

(2) After such amendment the Registrar shall cease to perform the functions of a Registrar in respect of any firm the entries relating to which have been deleted as aforesaid and shall perform all the functions of a Registrar in respect of all firms the entries relating to which are added as aforesaid.

(3) Any person aggrieved by an order under sub-section (1) may appeal to such authority and within such time as may be specified in this behalf by the State Government of Madhya Pradesh, and such authority shall pass such order on the appeal as it thinks fit.

(4) An order of the Registrar under sub-section (1), or where an appeal has been preferred against it under sub-section (3), the order of the appellate authority shall be final.

(5) The provisions of this section shall cease to be in force from such date as the State Government of Madhya Pradesh may, by notification in the State Gazette, appoint."

[Vide Madhya Pradesh Adaptation of Laws (State and Concurrent Subjects) (Third Amendment) Order, 1957 (w.r.e.f. 1-11-1956)].

**Maharashtra.**—(i) After section 59, insert the following section, namely:—

"59A. *Deletion and addition of entries relating to certain firms, by reason of reorganisation of States.*—(1) Notwithstanding anything contained in this Chapter, a Registrar of Firms appointed for any area by the Government of Bombay may, by order in writing, amend the Register of Firms maintained by him by deleting therefrom the entries relating to any firm, whose place of business has, by reason of the reorganisation of States under the States Reorganisation Act, 1956, ceased to be situated in the State of Bombay. The Registrar may likewise and without any charge or fee therefor amend the Register by adding thereto the entries relating to any firm included in the Register of another State but whose place of business has, by reason for such reorganisation, become part of the area within his jurisdiction in the State of Bombay:

Provided that the Registrar shall, before passing any order under this sub-section, make such inquiry as he deems necessary and give notice to the firm and the Registrar of the State concerned.

(2) After such amendment, the Registrar shall cease to perform the functions of a Registrar in respect of any firm the entries relating to which have been deleted as aforesaid and shall perform the functions of a Registrar in respect of any firm the entries relating to which are added as aforesaid.

(3) Any person aggrieved by an order under sub-section (1) may appeal to such authority, and within such time, as may be specified in this behalf by the Government of Bombay by notification in the Official Gazette; and such authority shall pass such order on the appeal as it thinks fit.

(4) An order of a Registrar under sub-section (1), or when an appeal has been preferred against it under sub-section (3), the order of the appellate authority shall be final.

(5) The provisions of this section shall cease to be in force from such date as the Government of Bombay may, by notification in the Official Gazette, appoint."

[Vide Central Acts on State and Concurrent Subjects (Bombay Adaptation) (Amendment) Order, 1957 (w.e.f. 17-10-1957)].

#### Section 59A1

(ii) After section 59, insert the following section, namely:—

"59A1. *Late registration on payment of penalty.*—If the statement in respect of any firm is not sent or delivered to the Registrar within the time specified in sub-section (1A) of section 58, then the firm may be registered on payment, to the Registrar, of a penalty of one hundred rupees per year of delay or a part thereof."

[Vide Maharashtra Act 29 of 1984, sec. 8 (w.e.f. 1-1-1985)].

**Mysore (Karnataka).**—In section 59A, in sub-section (1), for the words "by reason of the reorganisation of States", substitute the words, brackets, etc., "by reason of the addition of the Bellary district to the State of Mysore under the Andhra Pradesh State Act, 1953 (Central Act 30 of 1953), or of the reorganisation of States under the States Reorganisation Act, 1956 (Central Act 37 of 1956)".

[Vide Mysore Act 19 of 1961, sec. 2 (w.e.f. 14-9-1961)].

**Note.**—This amendment relates to section 59A as introduced by Madras Adaptation of Laws (Central Acts) Order, 1957.

**Tamil Nadu.**—After section 59, insert the following section, namely:—

*"59A. Special provision for amending the register.*—(1) Notwithstanding anything contained in this Chapter, the Registrar of Firms appointed by the State Government of Madras may, by order in writing, amend the register by deleting therefrom the entries relating to any firm, the place of business of which has, by reason of the formation of the State of Andhra or of the addition of the Bellary district to the State of Mysore under the Andhra State Act, 1953 or of the reorganisation of States under the States Reorganisation Act, 1956, or of the alteration of boundaries under the Andhra Pradesh and Madras (Alteration of Boundaries) Act, 1959, ceased to be located in the State of Madras.

The Registrar may likewise amend the register by adding thereto the entries relating to any firm included in the register of another State but the place of business of which has, by reason of the said reorganisation of States or of the said alteration of boundaries, become part of the State of Madras:

Provided that the Registrar may, before passing an order, make such inquiry as he deems necessary.

(2) After such amendment the Registrar shall cease to perform the functions of the Registrar in respect of any firm the entries relating to which have been deleted as aforesaid and shall perform all the functions of a Registrar in respect of all firms the entries relating to which are added as aforesaid.

(3) Any person aggrieved by an order under sub-section (1) may appeal to such authority and within such time as may be specified in this behalf by the State Government of Madras, and such authority shall pass such order on the appeal as it thinks fit.

(4) An order of the Registrar under sub-section (1), or where an appeal has been preferred against it under sub-section (3), the order of the appellate authority shall be final.

(5) The provisions of this section shall cease to be in force from such date as the State Government of Madras may, by notification in the Official Gazette, appoint."

[Vide Tamil Nadu (Added Territories) Adaptation of Laws Order, 1961 (w.r.e.f. 1-4-1960)].

#### Section 59B

**Gujarat.**—After section 59A, insert the following section, namely:—

*"59B. Deletion of entries relating to certain firms by reason of reorganisation of Bombay State.*—(1) Notwithstanding anything contained in this Chapter, a Registrar of Firms appointed for any area by the Government of Gujarat may, by order in writing, amend the Register of Firms maintained by him by deleting therefrom the entries relating to any firm whose place of business has, by reason of the reorganisation of the State of Bombay, by the Bombay Reorganisation Act, 1960, ceased to be situated in the State of Gujarat:

Provided that the Registrar shall, before passing any order under this sub-section, make such inquiry as he deems necessary and give notice to the firm and the Registrar of the State of Maharashtra.

(2) After such amendment the Registrar shall cease to perform the functions of a Registrar in respect of any firm the entries relating to which have been deleted as aforesaid.



## STATE AMENDMENT

**Maharashtra.**—In section 61, for the words “may send intimation thereof to the Registrar, who shall”, substitute the following words, namely:—

“shall send intimation thereof to the Registrar, within a period of 90 days from the date of such discontinuance or, as the case may be, from the date on which the firm begins to carry on business at such place. The Registrar shall then.”

[Vide Maharashtra Act 29 of 1984, sec. 10 (w.e.f. 1-1-1985)].

**62. Noting of changes in names and addresses of partners.**—When any partner in a registered firm alters his name or permanent address, an intimation of the alteration may be sent by any partner or agent of the firm to the Registrar, who shall deal with it in the manner provided in section 61.

## STATE AMENDMENT

**Maharashtra.**—In section 62, for the words “may be sent”, substitute the words “shall be sent, within a period of 90 days from the date of making shall alternation;”.

[Vide Maharashtra Act 29 of 1984, sec. 11 (w.e.f. 1-1-1985).]

**63. Recording of changes in and dissolution of a firm.**—(1) When a change occurs in the constitution of a registered firm any incoming, continuing or outgoing partner, and when a registered firm is dissolved any person who was a partner immediately before the dissolution, or the agent of any such partner or person specially authorised in this behalf, may give notice to the Registrar of such change or dissolution, specifying the date thereof; and the Registrar shall make a record of the notice in the entry relating to the firm in the Register of Firms, and shall file the notice along with the statement relating to the firm filed under section 59.

**Recording of withdrawal of a minor.**—(2) When a minor who has been admitted to the benefits of partnership in a firm attains majority and elects to become or not to become a partner, and the firm is then a registered firm, he, or his agent specially authorised in this behalf, may give notice to the Registrar that he has or has not become a partner, and the Registrar shall deal with the notice in the manner provided in sub-section (1).

## STATE AMENDMENT

**Maharashtra.**—In section 63,—

(a) in sub-section (1),—

(i) for the word “any”, wherever it occurs, substitute the word “every”;

(ii) for the words “may give notice to the Registrar of such change or dissolution, specifying the date thereof”, substitute the following words, namely:—

“shall, within a period of 90 days from the date of such change or dissolution, give notice to the Registrar of such change or dissolution, specifying the date thereof”;

(b) after sub-section (1), insert the following sub-section, namely:—

“(1A) Where a change occurs in the constitution of a registered firm, all persons, who after such change are partners of the firm, shall jointly send an intimation of such change duly signed by them, to the Registrar, within a period of 90 days from the date of occurrence of such change and the Registrar shall deal with it in the manner provided by section 61”;

(c) in sub-section (2), for the words “may give notice to the Registrar”, substitute the words “shall, within a period of 90 days from the date of his election, give notice to the Registrar”.

[Vide Maharashtra Act 29 of 1984, sec. 12 (w.e.f. 1-1-1985)].



(2) No suit to enforce a right arising from a contract shall be instituted in any Court by or on behalf of a firm against any third party unless the firm is registered and the persons suing are or have been shown in the Register of Firms as partners in the firm.

(3) The provisions of sub-sections (1) and (2) shall apply also to a claim of set-off or other proceeding to enforce a right arising from a contract, but shall not affect,—

- (a) the enforcement of any right to sue for the dissolution of a firm or for accounts of a dissolved firm, or any right or power to realise the property of a dissolved firm, or
- (b) the powers of an official assignee, receiver or Court under the Presidency-towns Insolvency Act, 1909 (3 of 1909) or the Provincial Insolvency Act, 1920 (5 of 1920) to realise the property of an insolvent partner.

(4) This section shall not apply,—

- (a) to firms or to partners in firms which have no place of business in <sup>1</sup>[the territories to which this Act extends], or whose places of business in <sup>2</sup>[the said territories], are situated in areas to which, by notification under <sup>3</sup>[section 56], this Chapter does not apply, or
- (b) to any suit or claim of set-off not exceeding one hundred rupees in value which, in the Presidency-towns, is not of a kind specified in section 19 of the Presidency Small Cause Courts Act, 1882 (5 of 1882), or, outside the Presidency-towns, is not of a kind specified in the Second Schedule to the Provincial Small Cause Courts Act, 1887 (9 of 1887), or to any proceeding in execution or other proceeding incidental to or arising from any such suit or claim.

#### STATE AMENDMENTS

Maharashtra.—(1) In section 69,—

- (a) in sub-section (1), insert the following proviso, namely:—

“Provided that the requirement of registration of firm under this sub-section shall not apply to the suits or proceedings instituted by the heirs or legal representatives of the deceased partner of a firm for accounts of the firm or to realise the property of the firm.”;

- (b) after sub-section (2), insert the following sub-section, namely:—

“(2A) No suit to enforce any right for the dissolution of a firm or for accounts of a dissolved firm or any right or power to realise the property of a dissolved firm shall be instituted in any court by or on behalf of any person suing as a partner in a firm against the firm or any person alleged to be or to have been a partner in the firm, unless the firm is registered and the person suing is or has been shown in the Register of Firms as a partner in the firm:

Provided that the requirement of registration of firm under this sub-section shall not apply to the suits or proceedings instituted by the heirs or legal representatives of the deceased partner of a firm for accounts of a dissolved firm or to realise the property of a dissolved firm.”;

1. Subs. by Act 3 of 1951, sec. 3 and Sch., for “Part A States and Part C States”.
2. Subs. by Act 3 of 1951, sec. 3 and Sch., for “such States”.
3. Subs. by Act 24 of 1934, sec. 2 and Sch. I, for section 55.

(c) in sub-section (3).—

- (i) for the words, brackets and figures "sub-sections (1) and (2)", substitute the words, brackets, figures and letter "sub-sections (1), (2) and (2A)";
- (ii) for clause (a), substitute the following clause, namely:—

"(a) the firms constituted for a duration up to six months or with a capital up to two thousand rupees; or."

[Vide Maharashtra Act 29 of 1984, sec. 13 (w.e.f. 1-1-1985)].

(2) After section 69, insert the following section, namely:—

"69A. Penalty for contravention of section 60, 61, 62 or 63.—If any statement, intimation or notice under section 60, 61, 62 or 63 in respect of any registered firm is not sent or given to the Registrar, within the period specified in that section, the Registrar may, after giving notice to the partners of the firm and after giving them a reasonable opportunity of being heard, refuse to make the suitable amendments in the records relating to the firm, until the partners of the firm pay such penalty, not exceeding ten rupees per day, as the Registrar may determine in respect of the period between the date of expiry of the period specified in sections 60, 61, 62 or as the case may be 63 and the date of making the amendments in the entries relating to the firm."

[Vide Maharashtra Act 29 of 1984, sec. 14 (w.e.f. 1-1-1985)].

#### COMMENTS

Arbitral Proceedings will not come under the expression 'other proceedings' of section 69(3) of the Act and the ban imposed under the said section can have no application to Arbitral proceedings as well as the Arbitration Award; *M/s Umesh Goel v. Himachal Pradesh Co-operative Group Housing Society Ltd.*, AIR 2016 SC 3116.

#### Applicability

Even if partnership is not registered, suit for accounts of dissolved firm maintainable. Bar under section 69(1) of the Act would not be applicable; *Vinubhai Najibhai Chavda v. Manesh Kumar Ramchandra Raval*, AIR 2013 Guj 254.

This section is mandatory in character and its effect is to render a suit in respect of a right vested in the plaintiff under a contract which he entered into as a partner of an unregistered firm void; *Loonkaran Sethia v. Ivan E. John*, AIR 1977 SC 336.

#### "Person Suing": meaning

The expression 'person suing' in section 69(2) of the Act means 'all the partners of the firm who are its partners at the time of the institute of the suit, *Shankar Housing Corporation v. Mohan Devi*, AIR 1978 Del 255.

#### Prior registration is necessary

A suit by an unregistered firm could not be validated by the subsequent registration of the firm; *Subramania Mudaliar v. East Asia Co. Ltd.*, AIR 1936 Mad 991; (1936) 71 MLJ 663; 165 IC 939 approved by Supreme Court in *Commissioner of I.T., A.P. v. Jayalakshmi Rice & Oil Mills Contractor Co.*, AIR 1971 SC 1015.

#### Registration: Optional or obligatory

Under the Partnership Act, registration of a firm is optional and not obligatory. If in the partnership agreement, there is an obligation on the partners to register the firm, even then that obligation would arise out of the partnership agreement, i.e., out of a contract, and the right, flowing from that obligation, of a partner to compel his co-partners to effect registration would be 'a right arising from a contract', and a suit to enforce such a right brought by one partner against the other partners of an unregistered firm is expressly barred by the provisions of section 69(1), Partnership Act; *Keshavlal Ghellabhai & Co. v. Chunilal and Harakchand & Co.*, AIR 1941 Rangoon 196.

#### Requisites to sue third party

The registration of the firm is sufficient to maintain the suit against any third party. The only requisite under section 69(2) of the Act is that a registered firm can only file a suit against third party and the persons suing have been in the Register of Firms as partners in the firm. Therefore, there is no need for registration of the partnership deed of the registered firm; *J.K. Finance Chit Funds v. R. Surya Kumar*, AIR 2004 AP 190.

**Rights in respect of unregistered firm**

Section 69 prohibits enforcement of rights in respect of unregistered firm. Sub-section (3) (a) carves out three exceptions to sub-sections (1) and (2) and also to the main part of sub-section (3) of section 69, namely (1) the enforcement of any right to sue for the dissolution of firm; (2) for accounts of the dissolved firm; and (3) any right or power to realise the property of the dissolved firm. Having excluded from the embargo created by the main part of sub-section (3) or sub-sections (1) and (2) of section 69, the right to sue would not again be construed to engulf the exceptions carved out by sub-section (3) or sub-section (4) of section 69. The object appears to be that the partnership having been dissolved or has come to a terminus, the right of the parties are to be worked out in terms of the contract of the partnership entered by and between the partners and the rights engrafted therein; *Premlata v. Ishar Dass Chaman Lal*, AIR 1995 SC 714.

The sub-section (2) of the section 69 of the Partnership Act bars a suit to enforce a right arising from a contract by or on behalf of a firm against any third party if the firm is not registered under the Act. There, however, exist the relevant provisions contained in sub-section (3) thereof to save the power to realise the property of a dissolved firm from the operation of sub-sections (1) and (2) thereof. Thus it becomes clear that the power to realise the debt due to a dissolved firm will not be governed by sub-section (1) or sub-section (2) of section 69 of the Act. The bar carried thereunder or either of them will not operate against a suit for recovery of a debt due and payable to an unregistered dissolved firm; *Kantilal Jethlal Gandhi v. Ghanshyam Ratilal Vyas*, AIR 1994 Guj 56.

**Scope**

The bar enacted by section 69 of the Partnership Act does not affect the maintainability of an application under section 9 of the Arbitration & Conciliation Act; *Firm Ashok Traders v. Gurumukh Das Saluja*, (2004) 3 SCC 155.

The bar of section 69 does not extend to suits for recovery of money due on a contract entered into after dissolution and the taking of accounts. A suit brought on the basis of the partnership transaction is barred under section 69 and not one that is based on a subsequent or different cause of action. *S. Ahmed Khan v. Turup Mohamed*, AIR 1953 Mysore 4.

**70. Penalty for furnishing false particulars.**—Any person who signs any statement, amending statement, notice or intimation under this Chapter containing any particular which he knows to be false or does not believe to be true, or containing particulars which he knows to be incomplete or does not believe to be complete, shall be punishable with imprisonment which may extend to three months, or with fine, or with both.

**STATE AMENDMENT**

**Maharashtra.**—(1) In section 70, for the words "shall be punishable with imprisonment which may extend to three months, or with fine, or with both", substitute the following words, namely:—

"shall, on conviction, be punished with imprisonment for a term which may extend to one year, or with fine, or with both:

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgment of the Court, the fine shall not be less than one thousand rupees."

[*Vide* Maharashtra Act 29 of 1984, sec. 15 (w.e.f. 1-1-1985)].

(2) After section 70, insert the following section, namely:—

"70A. *Maximum fees and power to amend Schedule I.*—(1) The fees payable under this Act and the rules made thereunder shall not exceed the maximum fees as specified in Schedule I.

(2) Subject to the provisions of this section, the State Government may, having regard to the expenditure incurred or to be incurred for carrying out the purposes of this Act, from time to time, by notification in the Official Gazette, vary any of

the amounts of maximum fees and other particulars specified in Schedule I, and, thereupon, the said Schedule shall be deemed to be amended accordingly.

(3) Every notification issued under sub-section (2) shall take effect from the date of its publication in the Official Gazette, unless some other date is specified therein for this purpose.

(4) Every notification issued by the State Government under sub-section (2) shall be laid, as soon as may be after it is issued, before each House of the State Legislature, while it is in session, for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be issued, and notify such decision in the Official Gazette, the notification shall, from the date of publication of such decision, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done in pursuance of that notification."

[Vide Maharashtra Act 29 of 1984, sec. 16 (w.e.f. 1-1-1985)].

**71. Power to make rules.**—(1) The <sup>1</sup>[State Government] <sup>2</sup>[may by notification in the Official Gazette make rules] describing the fees which shall accompany documents sent to the Registrar of Firms, or which shall be payable for the inspection of documents in the custody of the Registrar of Firms, or for copies from the Register of Firms

Provided that such fees shall not exceed the maximum fees specified in Schedule I.

(2) The State Government may <sup>3</sup>[also] make rules,—

- (a) prescribing the form of statement submitted under section 58, and of the verification thereof;
- (b) requiring statements, intimations and notices under sections 60, 61, 62 and 63 to be in prescribed form, and prescribing the form thereof;
- (c) prescribing the form of the Register of Firms, and the mode in which entries relating to firms are to be made therein, and the mode in which such entries are to be amended or notes made therein;
- (d) regulating the procedure of the Registrar when disputes arise;
- (e) regulating the filing of documents received by the Registrar;
- (f) prescribing conditions for the inspection of original documents;
- (g) regulating the grant of copies;
- (h) regulating the elimination of registers and documents;
- (i) providing for the maintenance and form of an index to the Register of Firms; and
- (j) generally, to carry out the purposes of this Chapter.

1. Subs. by the A.O. 1950, for "Provincial Government".

2. Subs. by Act 20 of 1983, sec. 2 and Sch., for "may make rules" (w.e.f. 15-3-1984).

3. Ins. by A.O. 1937.

(3) All rules made under this section shall be subject to the condition of previous publication.

<sup>1</sup>[(4) Every rule made by the State Government under this section shall be laid, as soon as it is made, before the State Legislature.]

#### STATE AMENDMENTS

**Andhra Pradesh.**—In section 71, in sub-section (1), after the proviso, insert the following proviso, namely:—

“Provided further that the fees payable under this Act, shall be collected in the form of Court-fee stamps which shall be affixed to the documents sent to the Registrar of Firms.”

[Vide Andhra Pradesh Act 27 of 1994, sec. 2 (w.e.f. 22-12-1994)].

**Maharashtra.**—In section 71,—

(a) for sub-section (1), substitute the following sub-section, namely:—

“(1) Subject to the provisions of section 70A, the State Government may, by notification in the Official Gazette, make rules prescribing the fees which shall accompany documents sent to the Registrar or which shall be paid in respect of any intimation, notice or application given to the Registrar or which shall be payable for the inspection of documents in the custody of the Registrar or for copies from the Register of Firms or which shall be paid for supply of any prescribed forms.”;

(b) in sub-section (2),—

(i) in clause (a), for the words and figures “under section 58”, substitute the words, brackets and figures “under sub-section (1) of section 58”;

(ii) after clause (a), insert the following clause, namely:—

“(a) prescribing the manner of filing an appeal under sub-section (4) of section 58;”

(c) for sub-section (4), substitute the following sub-section, namely:—

“(4) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of the State Legislature, while it is in session, for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, and notify such decision in the Official Gazette, the rule shall, from the date of publication of such decision, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done in pursuance of that rule.”

[Vide Maharashtra Act 29 of 1984, sec. 17 (w.e.f. 1-1-1985)].

#### CHAPTER VIII SUPPLEMENTAL

**72. Mode of giving public notice.**—A public notice under this Act is given—

(a) where it relates to the retirement or expulsion of a partner from a registered firm, or to the dissolution of a registered firm, or to the election to become or not to become a partner in a registered firm by

1. Ins. by Act 20 of 1983, sec. 2 and Sch. (w.e.f. 15-3-1984).

a person attaining majority who was admitted as a minor to the benefits of partnership, by notice to Registrar of Firms under section 63, and by publication in the Official Gazette and in at least one vernacular newspaper circulating in the district where the firm to which it relate has its place or principal place of business, and

- (b) in any other case, by publication in the Official Gazette and in at least one vernacular newspaper circulating in the district where the firm to which it relates has its place or principal place of business.

**73. Repeals.**—[Rep. by the Repealing Act, 1938 (1 of 1938), sec. 2 and Sch.].

**74. Savings.**—Nothing in this Act or any repeal effected thereby shall affect or be deemed to affect,—

- (a) any right, title, interest, obligation or liability already acquired, accrued or incurred before the commencement of this Act, or
- (b) any legal proceeding or remedy in respect of any such right, title, interest, obligation or liability, or anything done or suffered before the commencement of this Act, or
- (c) anything done or suffered before the commencement of this Act, or
- (d) any enactment relating to partnership not expressly repealed by this Act, or
- (e) any rule of insolvency relating to partnership, or
- (f) any rule of law not inconsistent with this Act.

#### STATE AMENDMENT

**Goa, Daman and Diu.**—Re-number section 74 as sub-section (1) thereof and after sub-section (1) as so re-numbered, insert the following sub-section, namely:—

(2) Notwithstanding anything contained in sub-section (1) and in any other law in force in the Union territory of Goa, Daman and Diu, the provisions of sub-sections (1) and (2) of section 69 shall apply to all suits instituted in the Union territory of Goa, Daman and Diu after the 1st January, 1965, even if the cause of action with respect to the said suits had arisen before that date."

[Vide Goa, Daman and Diu Act 6 of 1966, sec. 4 (w.e.f. 22-8-1966)].

#### SCHEDULE I MAXIMUM FEES

[See sub-section (1) of section 71]

| Document or act in respect of which the fee is payable                        | Maximum fee   |
|---|---|
| Statement under section 58 .....  | Three rupees  |
| Statement under section 60 .....  | One rupee   |
| Intimation under section 61 .....   | One rupee   |
| Intimation under section 62 .....   | One rupee   |
| Notice under section 63 .....   | One rupee   |
| Application under section 64 .....  | One rupee   |
| Inspection of the Register of firms under sub-section (1) of section 66 ..... | Eight annas for inspecting one volume of the Register |

| Document or act in respect of which the fee is payable                              | Maximum fee   |
|---|---|
| Inspection of documents..... relating to a firm under sub-section (2) of section 66 | Eight annas for the inspection of all documents relating to one firm. |
| Copies from the Register..... of Firms  | Four annas for each hundred words or part thereof.                    |

## STATE AMENDMENTS

**Andhra Pradesh.**—For Schedule I, substitute the following Schedule, namely:—

## "SCHEDULE I

## MAXIMUM FEES

[See sub-section (1) of section 71]

| Sl. No. | Document or act in respect of which the fee is payable                        | Maximum fee   |
|---------|---|---|
| 1       | 2   | 3   |
| 1.      | Statement under section 58  | for each partner Rs. 100  |
| 2.      | Statement under section 60  | Rs. 100   |
| 3.      | Intimation under section 61   | Rs. 100   |
| 4.      | Intimation under section 62   | Rs. 100   |
| 5.      | Notice under section 63   | Rs. 100   |
| 6.      | Application under section 64  | Rs. 100   |
| 7.      | Inspection of the Register of Firms under sub-section (1) of section 65       | For inspecting the entry of each firm in the Register Rs. 20            |
| 8.      | Inspection of document relating to a firm under sub-section (2) of section 66 | For each inspection of all documents relating to one single firm Rs. 20 |
| 9.      | Copies from the Register of Firms   | For each hundred words or part thereof. Rs. 4                           |

[Vide Andhra Pradesh Act 27 of 1994, sec. 3 (w.e.f. 22-12-1994)].

**Goa, Daman and Diu.**—In Schedule I, (a) for the words 'eight annas', at both the places where they occur, substitute the words 'fifty paise'; and (b) in entries relating to copies from the Register of Firms, for the words 'four annas', substitute the words 'fifty paise'.

[Vide Goa, Daman and Diu Act 6 of 1996, sec. 5 (w.e.f. 22-8-1966)].

**Gujarat.**—For Schedule I, substitute the following Schedule, namely:—

## "SCHEDULE I

## MAXIMUM FEES

[See sub-section (1) of section 71]

| Document or act in respect of which the fee is payable | Maximum fee         |
|--|---------------------|
| Statement under section 58                             | Fifty rupees.       |
| Statement under section 60                             | Twenty-five rupees. |
| Intimation under section 61                            | Twenty-five rupees. |

| Document or act in respect of which the fee is payable                         | Maximum fee  |
|--|--|
| Intimation under section 62  | Twenty-five rupees.  |
| Notice under section 63  | Twenty-five rupees.  |
| Application under section 64   | Twenty-five rupees.  |
| Inspection of the Register of Firms under sub-section (1) of section 66        | Ten rupees for inspecting one volume of the Register.                |
| Inspection of documents relating to a firm under sub-section (2) of section 66 | Ten rupees for the inspection of all documents relating to one firm. |
| Copies from the Register of Firms  | Five rupees for each hundred words or part thereof."                 |

[Vide Gujarat Act 13 of 1991, sec. 2 (w.e.f. 6-4-1991)].

**Karnataka.**—For Schedule I, substitute the following Schedule, namely:—

"SCHEDULE I

MAXIMUM FEES

[See sub-section (1) of section 71]

| Document or act in respect of which the fee is payable                         | Maximum fee  |
|--|--|
| Statement under section 58   | One hundred rupees and one rupee.                                    |
| Statement under section 60   | Fifty rupees.  |
| Intimation under section 61  | Twenty-five rupees.  |
| Intimation under section 62  | Twenty-five rupees.  |
| Notice under section 63  | Twenty-five rupees.  |
| Application under section 64   | One rupee.   |
| Inspection of the Register of Firms under sub-section (1) of section 66        | Twenty rupees for inspecting one volume of the Register.             |
| Inspection of documents relating to a firm under sub-section (2) of section 66 | Ten rupees for the inspection of all documents relating to one firm. |
| Copies from the Register of Firms  | Twenty five paise for each hundred words or part thereof"            |

[Vide Karnataka Act 1 of 1987, sec. 2 (w.e.f. 30-4-1987)].

**Kerala.**—For Schedule I, substitute the following Schedule, namely:—

"SCHEDULE I

MAXIMUM FEES

[See sub-section (1) of section 71]

| Document or act in respect of which the fee is payable                  | Maximum fee   |
|---|---|
| Statement under section 58  | Fifteen rupees.                                       |
| Statement under section 60  | Five rupees.  |
| Intimation under section 61   | Five rupees.  |
| Intimation under section 62   | Five rupees.  |
| Notice under section 63   | Five rupees.  |
| Application under section 64  | Five rupees.  |
| Inspection of the Register of Firms under sub-section (1) of section 66 | Two rupees for inspecting one volume of the Register. |

| Document or act in respect of which the fee is payable                         | Maximum fee  |
|--|--|
| Inspection of documents relating to a firm under sub-section (2) of section 66 | Two rupees for the inspection of all documents relating to one firm. |
| Copies from the Register of Firms  | Fifty paise for each hundred words or part thereof".                 |

[Vide Kerala Act 25 of 1973, sec. 2 (w.e.f. 24-8-1973)].

**Madhya Pradesh.**—For Schedule I, substitute the following Schedule, namely:—

"SCHEDULE I

MAXIMUM FEES

[See sub-section (1) of section 71]

| Document or act in respect of which the fee is payable                         | Maximum Fee  |
|--|--|
| (1)  | (2)  |
| Statement under section 58   | Two hundred rupees.  |
| Statement under section 60   | Twenty-five rupees.  |
| Intimation under section 61  | Twenty-five rupees.  |
| Intimation under section 62  | Twenty-five rupees.  |
| Notice under section 63  | Twenty-five rupees.  |
| Application under section 64   | Twenty-five rupees.  |
| Inspection of the Register of firms under sub-section (1) of section 66        | Ten rupees for inspecting one volume of the Register.                |
| Inspection of documents relating to a firm under sub-section (2) of section 66 | Ten rupees for the inspection of all documents relating to one firm. |
| Copies from the Register of Firms  | Two rupees for each hundred words or part thereof."                  |

[Vide Madhya Pradesh Act 27 of 1986, sec. 3 (w.e.f. 30-10-1986)].

**Maharashtra.**—For Schedule I, substitute the following Schedule, namely:—

"SCHEDULE I

MAXIMUM FEES

[See sections 70A and 71].

| Document or act in respect of which the fee is payable | Maximum Fee         |
|--|---------------------|
| 1  | 2                   |
| (1) Statement under section 58(1)                      | Fifty rupees.       |
| (2) Memorandum of appeal under section 58(4)           | Twenty-five rupees. |
| (3) Statement under section 60                         | Fifteen rupees.     |
| (4) Intimation under section 61                        | Fifteen rupees.     |
| (5) Intimation under section 62                        | Fifteen rupees.     |
| (6) Notice under section 63(1)                         | Fifteen rupees.     |
| (7) Intimation under section 63(1A)                    | Fifteen rupees.     |
| (8) Notice under section 63(2)                         | Fifteen rupees.     |
| (9) Application under section 64                       | Fifteen rupees.     |

| Document or act in respect of which the fee is payable  | Maximum fee                   |
|---|-------------------------------|
| (10) Inspection of the Register of Firms under sub-section (1) of section 66, for inspection of one volume of the Register of Firms.          | Seven rupees and fifty paise. |
| (11) Inspection of documents relating to a firm under sub-section (2) of section 66, for the inspection of all documents relating to one firm | Seven rupees and fifty paise. |
| (12) Copies from the Register of Firms under section 67, for each hundred words or part thereof   | Two rupees.                   |
| (13) Price of Forms prescribed under the rules  | One rupee per Form".          |

[Vide Maharashtra Act 29 of 1984, sec. 18 (w.e.f. 1-1-1985)].

**Pondicherry.**—In Schedule I, in column (2) substitute the following, serially:—Rs. 10.00; Rs. 3.00; Rs. 3.00; Rs. 3.00; Rs. 3.00; Rs. 3.00; Rs. 100<sup>a</sup>; Re. 100<sup>b</sup>, Rs. 0.40<sup>c</sup>.

[Vide Pondicherry Amendment Act 8 of 1969, sec. 3 (w.e.f. 1-1-1970)].

**Rajasthan.**—For Schedule I, substitute the following Schedule, namely:—

**"SCHEDULE I  
MAXIMUM FEES**

[See sub-section (1) of section 71]

| Sl. No. | Document or act in respect of which the fee is payable                         | Maximum Fee  |
|---------|--|--|
| 1       | 2  | 3  |
| 1.      | Statement under section 58   | Hundred rupees   |
| 2.      | Statement under section 60   | Thirty rupees  |
| 3.      | Intimation under section 61  | Thirty rupees  |
| 4.      | Intimation under section 62  | Thirty rupees  |
| 5.      | Notice under section 63  | Thirty rupees  |
| 6.      | Application under section 64   | Thirty rupees  |
| 7.      | Inspection of the Register of Firms under sub-section (1) of section 66        | Twenty rupees for inspection of one volume of register             |
| 8.      | Inspection of documents relating to a firm under sub-section (2) of section 66 | Twenty rupees for inspection of all documents relating to one firm |
| 9.      | Copies from the Register of Firms  | Six rupees for each hundred words or part thereof."                |

[Vide Rajasthan Act 8 of 1996, sec. 2 (w.e.f. 8-10-1996)].

**Tamil Nadu.**—For Schedule I, substitute the following Schedule, namely:—

**"SCHEDULE I  
MAXIMUM FEES**

[See sub-section (1) of section 71]

| Sl. No. | Document or act in respect of which the fee is payable | Maximum Fee     |
|---------|--|-----------------|
| 1.      | Statement under section 58                             | Rs. P.<br>50.00 |
| 2.      | Statement under section 60                             | 5.00            |
| 3.      | Intimation under section 61                            | 5.00            |

9. The partnership shall be one at will (mention any other reason, if any).

10. The Firm may raise funds from any banks, financial institutions and other private parties for the purpose of the business of the Firm and all the documents shall be signed by both the partners.

11. The Firm may open one or more bank accounts and such account(s) shall be operated by the partners (severally or jointly).

12. Except to the extent mentioned hereinabove, the provisions of the Indian Partnership Act, 1932 shall be applicable to the Firm and the partners.

13. No partner can sell or mortgage or transfer or assign his share or interest in the partnership property or business without the written consent of the other partner.

IN WITNESS THEREOF, the parties hereto have affixed their signatures on the date, month and year hereinabove first mentioned.

WITNESSES

(1) ..... First Party  
(2) ..... Second Party

(Note.—Section 69 of the Indian Partnership Act, 1932 requires the Partnership to be registered with the Registrar of Firms).

PARTNERSHIP DEED BETWEEN TWO TRADERS

This DEED OF PARTNERSHIP made the .....day of .....between A of etc., of the ONE PART and B of the OTHER PART.

Witnesseth that it is hereby mutually agreed that the said parties hereto shall become partners upon the following terms—

1. The partnership business shall be that of.....and shall be carried on at .....or at such other place as may be from time to time agreed upon.

2. The partnership shall commence on the .....day of .....20.....and shall continue for the term of three years from that day and thereafter until determined as provided hereafter.

3. The name of the firm shall be.....

4. Any partner may determine the partnership at any time after expiry of the aforesaid term of three years on giving not less than six calendar months previous notice in writing to the other partner of his intention in that behalf and at the expiration of such notice the partnership shall be considered dissolved.

5. The capital of partnership shall be Rs. ....to be contributed by the partners in equal shares. In case further capital is required for the business of the partnership the same be continued by the partners in equal shares.

6. The net profits of the partnership shall be divided between the partners in equal shares and they shall bear all losses in the same proportion.

7. The Bankers of the partnership shall be ..... (name of the Bank) and the account therein shall be in the firm's name and all cheques thereon shall be drawn by both the partners.

8. Each partner may draw out of the banking account of the firm sums not exceeding.....per month, but if on taking the annual general account the sum drawn by any partner during any year shall exceed his share of profits for the year, he shall refund the excess with interest @.....p.a.

9. All necessary and proper books of account shall be kept by the partnership and shall not be removed from the place of business without the consent of both partners. The account books shall be open to inspection by each of the partners, who shall be entitled to take such extracts therefrom as they think fit.

10. A general account shall be taken each year on the .....day of .....20..... The assets and liabilities and profits and losses of the partnership shall be audited by a

firm of Chartered Accountants and shall be signed by each partner. Such account can be opened only if any error is discovered within three months after the signing thereof, in which case such error can be corrected. After the general account has been so signed, the net profits shall be divisible between the partners in the proportions laid down in paragraph 6 supra.

11. Each partner shall:

- (a) devote his whole time and attention to the business of the partnership;
- (b) carry on the business of the firm to the greatest common advantage;
- (c) be just and faithful to each other and shall render true accounts and full information of all things affecting the firm to the other partner or the legal representative;
- (d) pay his separate and private debts and indemnify the other partner or partnership assets against all proceedings, claims or demands in respect thereof.

12. Neither partner shall without the consent of the other—

- (a) carry on any business other than that of the firm of which he is a partner;
- (b) assign or mortgage his shares or interest in the partnership;
- (c) compound, relinquish or discharge any debt which shall be due or owing to the partnership without receiving the full amount;
- (d) draw or accept or endorse any bill of exchange or promissory note on account of the partnership;
- (e) dispose of by loan, pledge, sale or otherwise any part of the partnership property;
- (f) lend money or give credit to or have any dealings on behalf of the partnership with any person whom the other partner shall have previously forbidden to trust or deal with;
- (g) except in case of gross misconduct, dismiss any person in the employment of the firm;
- (h) buy any property or goods or articles for the use of the partnership exceeding the value of Rs.....

13. If during the continuance of the partnership, any partner dies or becomes bankrupt, the remaining partner shall have the option of purchasing his share on giving written notice within three months from his death or bankruptcy to his legal representative or Trustee in bankruptcy. The purchase-price shall be the amount of the share of deceased or outgoing partner as determined at the last general annual account plus interest at 6% p.a. thereon up to the date of the purchase, or if no such account had been taken, the amount credited to him as his share in the capital at the commencement of the partnership plus interest at the aforesaid rate.

14. All disputes which shall arise between the partners or their legal representatives about the interpretation of this deed or their rights and liabilities thereunder or in relation to any other matter whatsoever touching the partnership affairs shall be referred to arbitration by two arbitrators, one to be appointed by each partner or his legal representative under the provisions of the Indian Arbitration Act, 1940, or in case of the neglect or refusal of either partner or his legal representative to appoint an arbitrator within one month after being requested in writing so to do by the other partner, by a single arbitrator nominated by the other partner.

In witness whereof the parties have hereto set their hands in the presence of witnesses.

- (1) .....
- (2) .....
- (3) .....

Signature  
 First Party .....

Second Party .....

**PARTNERSHIP DEED**  
(Another Format)

This AGREEMENT OF PARTNERSHIP is made in city of .....on day of.....20.... between AB of .....(hereinafter called the FIRST PARTY) and CD of (hereinafter called the SECOND PARTY) EF of .....(hereinafter called the third party) on the terms and conditions set forth herein;

The parties aforementioned mutually agree:

1. That the name of the partnership shall be.....
2. The partnership shall commence on the.....day of .....20.... for the purpose of carrying on the business of .....and shall continue for .....years unless determined earlier by notice in writing by any party delivered to the other parties.
3. The business of the partnership shall be carried on at .....and at such other places as may be mutually agreed upon.
4. The capital of the partnership shall be Rs. ....which shall be contributed in equal shares by the parties. Any further sum advanced by any party to the partnership shall bear interest at the rate of.....per cent. per annum and shall be a debt due from the partnership to such creditor-partner.
5. The share of the parties in profits and losses shall be equal.
6. Proper and regular account of the affairs and transactions of the partnership shall be maintained and kept at the principal place of business of the partnership. A monthly balance-sheet and profits and loss account shall be prepared under the supervision of all the parties and shall be signed by each party, who shall be bound thereby except for error discovered and rectified within three months thereof.
7. No partner shall carry on any other business which may be allied or similar to the business of the partnership. Each party shall devote his whole time diligently to the affairs of the partnership.
8. Death of a partner shall not operate as dissolution of the partnership. The legal representative or heir of the deceased partner shall not be entitled to interfere in the management of the affairs of the partnership but he shall be entitled to inspect the account books and the vouchers in support thereof for the purpose of ascertaining his share thereon and the profits accruing due thereon. He shall not, however, be liable for any losses incurred after the demise of the partner unless he is taken as a partner in the place of the deceased partner immediately on such demise.
9. Any dispute arising out of his partnership or as to interpretation, operation or enforcement of terms of this partnership between the parties or their legal representatives shall be referred for adjudication to the arbitration of the President of the Bar Association at or his nominee whose decision shall be final and binding on all parties and their legal representatives.

In witness whereof the parties of aforementioned have signed this deed of partnership.

**WITNESSES**

- |         |                   |
|---------|-------------------|
| 1. .... | Signature         |
| 2. .... | First Party.....  |
| 3. .... | Second Party..... |
|         | Third Party.....  |

**DEED OF DISSOLUTION OF PARTNERSHIP**

This DEED made the .....day of .....20....between A of etc., (hereinafter called the RETIRING PARTNER) of the FIRST PART and B of etc., (hereinafter called the continuing partner) of the second part;

1. The parties hereto have been carrying on as partners the business of.....under the firm or style of.....and under Deed of Partnership dated.....
2. The parties hereto are beneficially entitled to the property mentioned in the schedule attached herewith as their partnership property

3. The parties have agreed to dissolve the said partnership upon the following terms:—

- (a) The continuing partner shall purchase from the retiring partner his share in the partnership property for Rs. ....which amount shall be paid as mentioned hereafter;
- (b) The continuing partner shall discharge the liabilities and debts due from the partnership.

And whereas for the purposes of the stamp duty it has been agreed that the sum of Rs. ....part of the said sum of Rs. ....shall be the price of the share of the retiring partner in the immovable property and that the sum of Rs. ....shall be the price of the share of the said partner in cash in hand and with Bankers and movable property passing by delivery belonging to the partnership and that the sum of Rs. ....balance out of the said sum of Rs. ....shall be the price of the share of the said retiring partner in the goodwill and the residue of the assets of the partnership property.

And whereas by a conveyance of even date executed between the parties the share of the retiring partner in the immovable property of the firm has been conveyed to the continuing partner on payment of the price of Rs. ....

And whereas the cash in hand and with Bankers and other movable property of the partnership passing by delivery has been delivered to the continuing partners who has paid to the retiring partner Rs. .... the apportioned price thereof.

"Now this Deed witnesseth as follows:—

1. The said partnership shall stand dissolved as from the day of.....
2. In consideration of the sum of Rs. .... paid by the continuing partner to the retiring partner, the receipt of which sum the latter hereby acknowledges, the retiring partner as beneficial owner hereby assigns and transfers unto the continuing partner all the share and interest of the retiring partner in the said partnership and the business, goodwill, book debts, and property other than the property separately conveyed as mentioned above.
3. The said retiring partner hereby irrevocably appoints the said continuing partner as his attorney to demand, call in and receive from all persons all and singular the debts, credits, moneys and effects of the said partnership, to give effectual receipts and discharges for the same and to bring and institute suits and proceedings against debtors of the firm and to compromise with them in any manner he deems fit.
4. The continuing partner shall in due course pay all the debts and discharge all the liabilities of the said partnership and shall indemnify the retiring partner against all actions, proceedings costs and expenses in respect thereof.
5. That the retiring partner shall not carry on any competing business in any capacity whatever within a radius of.....miles from the place of business of the said partnership, for a period of two years.
6. Each of the parties hereto hereby releases and discharges the other from all actions, proceedings, claims and demands on account of the said partnership without prejudice to any rights and remedies herein contained.

(The Schedule above referred to containing description of partnership property).

In witness whereof the parties hereto have hereunto set their hands in the presence of witnesses.

WITNESSES

1. ....
2. ....
3. ....

Signature of Partners

1. ....
2. ....
3. ....

## List of Latest Universal's Bare Acts & Rules

• Latest • Accurate • Up-to-date • Reasonably Priced

### CIVIL, CRIMINAL, COMMERCIAL, LABOUR & SERVICES

#### A

|   |        |
|---|--------|
| A-20. Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 with Order and Regulations                          | 110.00 |
| A-17. Actuaries Act, 2006 along with Allied Rules   | 80.00  |
| A-1. Administration of Evacuee Property Act, 1950 with Rules, 1950  | 130.00 |
| A-2. Administrative Tribunals Act, 1985 along with CAT (Procedure) Rules, 1987, CAT Rules of Practice, 1993 and Contempt of Courts (C.A.T.) Rules, 1992 | 110.00 |
| A-22. Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017  | 45.00  |
| A-3. Advocates Act, 1961  | 70.00  |
| A-4. Advocates' Welfare Fund Act, 2001  | 50.00  |
| A-5. Aircraft Act, 1934 along with allied Rules   | 270.00 |
| A-6. Air Force Act, 1950 along with allied Act and Rules  | 175.00 |
| A-7. Air (Prevention and Control of Pollution) Act, 1981 along with Rules, 1982   | 65.00  |
| A-15. Airport Authority of India Act, 1994 along with Rules and Regulations   | 85.00  |
| A-8. Ancient Monuments and Archaeological Sites and Remains Act, 1958 along with allied Acts & Rules  | 120.00 |
| A-21. Anti-Hijacking Act, 2016 with Rules, 2017   | 35.00  |
| A-9. Antiquities and Art Treasures Act, 1972 along with Rules, 1973   | 35.00  |
| A-10. Apprentices Act, 1961 along with allied Act and Rules   | 135.00 |
| A-11. Arbitration and Conciliation Act, 1996 along with Scheme, 1996  | 75.00  |
| A-19. Architects Act, 1972, along with Rules and Regulations  | 80.00  |
| A-12. Armed Forces (Special Power) Act, 1958 along with allied Acts   | 60.00  |
| A-18. Armed Forces Tribunal Act, 2007 along with allied Rules   | 115.00 |
| A-13. Arms Act, 1959 along with Rules, 2016   | 211.00 |
| A-14. Army Act, 1953 with Rules, 1954   | 240.00 |
| A-16. Atomic Energy Act, 1962 with allied Rules   | 110.00 |

#### B

|   |        |
|---|--------|
| B-1. Bankers' Books Evidence Act, 1891  | 35.00  |
| B-2. Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 along with allied Act and Schemes   | 100.00 |
| B-3. Banking Regulation Act, 1949 along with allied Rules and Scheme  | 190.00 |
| B-4. Bar Council of India Rules along with allied Rules and Advocates Act, 1961   | 175.00 |
| B-5. Beedi and Cigar Workers (Conditions of Employment) Act, 1966 along with Welfare Cess and Welfare Fund Act and Rules                                    | 65.00  |
| B-6. Prohibition of Benami Property Transactions Act, 1988 [Earlier Known as Benami Transactions (Prohibition) Act, 1988] with Rules, 2016                  | 80.00  |
| B-7. Biological Diversity Act, 2002 along with Rules, 2004  | 110.00 |
| B-13. Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015   | 70.00  |
| B-8. Boilers Act, 1923 along with allied Rules  | 80.00  |
| B-9. Bonded Labour System (Abolition) Act, 1976 along with Rules, 1976  | 35.00  |
| B-10. Border Security Force Act, 1968 along with allied Rules   | 150.00 |
| B-11. Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 along with Rules, 1998 with Cess Act and Rules | 180.00 |
| B-12. Bureau of Indian Standards Act, 1986 along with Rules and Regulations   | 130.00 |
| B-14. Bureau of Indian Standards Act, 2016  | 40.00  |

#### C

|  |        |
|--|--------|
| C-1. Cable Television Networks (Regulation) Act, 1995 along with allied Rules & Regulations  | 80.00  |
| C-2. Cantonments Act, 2006 with allied Rules   | 160.00 |
| C-4. Carriage by Air Act, 1972 <i>see</i> Carrier Laws (Land • Sea • Air)  | 110.00 |
| C-44. Carriage by Road Act, 2007   | 45.00  |
| C-4. Carriage of Goods by Sea Act, 1925 <i>see</i> Carrier Laws (Land • Sea • Air)   | 110.00 |
| C-4. Carriers Act, 1865 <i>see</i> Carrier Laws (Land • Sea • Air)   | 110.00 |
| C-4. Carrier Laws (Land • Sea • Air)   | 110.00 |
| C-5. Cattle Trespass Act, 1871   | 40.00  |
| C-63. Census Act, 1948 with Rules, 1990  | 40.00  |
| C-43. Central Educational Institutions (Reservation in Admission) Act, 2006  | 35.00  |
| C-48. Central Electricity Authority Regulations  | 400.00 |
| C-49. Central Electricity Regulatory Commission Rules and Regulations  | 395.00 |
| C-6. Central Excise Act, 1944 as amended by the Finance Act, 2017 and the Taxation Laws (Amendment) Act, 2017  | 135.00 |
| C-7. Central Industrial Security Force Act, 1968 along with Rules  | 70.00  |
| C-8. Central Reserve Police Force Act, 1949 along with Rules, 1955   | 90.00  |
| C-9. Central Sales Tax Act, 1956 along with Rules, 1957 as amended by the Taxation Laws (Amendment) Act, 2017  | 70.00  |
| C-10. Central Vigilance Commission Act, 2003   | 45.00  |
| C-11. Charitable and Religious Trusts Act, 1920 along with Charitable Endowments Act, 1890 and Religious Endowments Act, 1866  | 60.00  |
| C-11. Charitable Endowments Act, 1866 <i>see</i> Charitable and Religious Trusts Act, 1920   | 60.00  |
| C-2. Chartered Accountants Act, 1949   | 60.00  |
| C-42. Chemical Weapons Convention Act, 2000 along with allied Rules  | 130.00 |
| C-12. Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 along with Rules, 1988 and Children (Pledging of Labour) Act, 1933  | 50.00  |
| C-13. Child Marriage Restraint Act, 1929   | 35.00  |
| C-14. Chit Funds Act, 1982   | 60.00  |
| C-15. Christian Marriage Act, 1872   | 40.00  |
| C-16. Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 along with allied Rules           | 55.00  |
| C-17. Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981 along with Rules, 1984, Welfare Cess Act, 1981 along with Rules, 1984, Welfare Fund Act, 1981 and Rules, 1984 | 75.00  |
| C-18. Cinematograph Act, 1952 along with Cinematograph (Certification) Rules, 1983   | 65.00  |
| C-19. Citizenship Act, 1955 along with Citizenship Rules, 2009   | 110.00 |
| C-20. Civil Defence Act, 1968 along with Rules and Regulations   | 40.00  |
| C-50. Civil Liability for Nuclear Damage Act, 2010 with Rules, 2011  | 60.00  |
| C-47. Clinical Establishments (Registration and Regulation) Act, 2010 with Rules, 2012   | 40.00  |
| C-21. Code of Civil Procedure, 1908  | 275.00 |
| C-23. Code of Civil Procedure, 1908 with State Amendments (Hb)   | 395.00 |
| C-45. Code of Civil Procedure, 1908 with State & High Court Amendments with Letters Patent (Hb)  | 595.00 |
| C-24. Code of Criminal Procedure, 1973   | 225.00 |
| C-26. COFEPOSA Act, 1974 and SAFEMFOP Act, 1976 with Rules, 2006   | 45.00  |
| C-51. Coinage Act, 2011  | 30.00  |

|  |        |   |        |
|--|--------|---|--------|
| C-59. Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015  | 50.00  | D-13. Drugs (Prices Control) Order, 2013  | 80.00  |
| C-46. Collection of Statistics Act, 2008 with Rules, 2011  | 45.00  | <b>E</b>  |        |
| C-41. Commission for Protection of Child Rights Act, 2005 along with Rules   | 55.00  | E-1. Easements Act, 1882  | 45.00  |
| C-27. Commissions of Inquiry Act, 1952 along with Rules, 1972  | 35.00  | E-2. Electricity Act, 2003 along with Rules, 2005 and allied Rules and Orders   | 175.00 |
| C-28. Commission of Sati (Prevention) Act, 1987 along with Rules   | 35.00  | E-3. Electricity (Supply) Act, 1948   | 90.00  |
| C-29. Companies Act, 2013  | 475.00 | E-5. Electricity Rules, 2005 along with allied Rules and Orders   | 240.00 |
| C-57. Companies Act, 2013 with allied Companies Rules along with Companies (Removal of Difficulties) Orders  | 795.00 | E-6. Emblems and Names (Prevention of Improper use) Act, 1950 along with allied Act and Rules   | 35.00  |
| C-58. Companies (Indian Accounting Standards) Rules, 2015  | 675.00 | E-7. Emigration Act, 1983 along with Rules, 1983  | 55.00  |
| C-53. Company Secretaries Act, 1980  | 60.00  | E-19. Employee's Compensation Act, 1923 along with allied Rules   | 100.00 |
| C-30. Compulsion Act, 2002 with allied Rules   | 175.00 | E-8. Employees' Provident Funds and Miscellaneous Provisions Act, 1952, along with E.P.F. Scheme, 1952 with allied Schemes, Rules and Forms | 275.00 |
| C-31. Constitution of India  | 150.00 | E-9. Employees' Provident Funds and Miscellaneous Provisions Act, 1952  | 75.00  |
| C-33. Consumer Protection Act, 1986 along with Rules, 1987 and Regulations, 2005   | 75.00  | E-10. Employees' State Insurance Act, 1948 along with Rules and Regulations   | 190.00 |
| C-34. Contempt of Courts Act, 1971 along with Rules to Regulate Proceedings for Contempt of the Supreme Court, 1975  | 40.00  | E-11. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 along with Rules, 1960  | 35.00  |
| C-35. Contract Act, 1872   | 80.00  | E-12. Employers' Liability Act, 1938  | 35.00  |
| C-36. Contract Labour (Regulation and Abolition) Act, 1970 along with Rules, 1971  | 80.00  | E-20. Enemy Property Act, 1968 along with Enemy Property Rules, 2015  | 60.00  |
| N-6. Control of National Highways (Land and Traffic) Act, 2002 <i>see</i> National Highways Act, 1956  | 150.00 | E-13. Energy Conservation Act, 2001 along with allied Rules   | 100.00 |
| C-37. Copyright Act, 1957 along with Rules, 1958 and International Copyright Order, 1999   | 150.00 | E-14. Environment (Protection) Act, 1986 along with allied Rules  | 375.00 |
| C-54. Cost and Works Accountants Act, 1959   | 60.00  | E-15. Equal Remuneration Act, 1976 along with allied Rules  | 35.00  |
| C-38. Court Fees Act, 1870   | 50.00  | E-16. Essential Commodities Act, 1955 along with allied Acts  | 60.00  |
| C-39. Credit Information Companies (Regulation) Act, 2005 along with Rules and Regulations, 2006   | 60.00  | E-17. Evidence Act, 1872  | 65.00  |
| C-55. Criminal Law (Amendment) Acts and Ordinances   | 95.00  | E-18. Explosives Act, 1884 along with The Explosive Substances Act, 1908 and The Explosives Rules, 2008                                     | 270.00 |
| C-56. Criminal Law (Amendment) Act, 2013 (w.e.f. 03-02-2013) (New Anti-Rape Law)   | 35.00  | <b>F</b>  |        |
| C-40. Customs Act, 1962 as amended by the Finance Act, 2008 and the Taxation Laws (Amendment) Act, 2017  | 150.00 | F-1. Factories Act, 1948  | 80.00  |
| M-18. Ditchi Memorial Act, 1931 <i>see</i> Muslim laws   | 65.00  | F-2. Family Courts Act, 1984  | 35.00  |
| <b>D</b>   |        | F-3. Fatal Accidents Act, 1855  | 35.00  |
| D-1. Dangerous Machines (Regulation) Act, 1983 along with Rules, 2007  | 50.00  | F-4. Fiscal Responsibility and Budget Management Act, 2003 along with Rules, 2004   | 45.00  |
| D-11. Dentists Act, 1948 with allied Rules   | 90.00  | P-24. Flag Code of India, 2002 <i>see</i> Prevention of Insult to National Honour Act, 1971   | 40.00  |
| D-2. Depositories Act, 1996 along with Rules, 1998   | 60.00  | F-16. Food Safety and Standards Act, 2006   | 95.00  |
| D-3. Designs Act, 2000 along with Rules, 2001  | 75.00  | F-15. Food Safety and Standards Act, 2006 along with allied Rules, Regulations and Order  | 795.00 |
| D-10. Disaster Management Act, 2005 along with allied Rules  | 65.00  | F-5. Foreign Contribution (Regulation) Act, 2010 along with Rules and Regulations   | 80.00  |
| M-18. Dissolution of Muslim Marriages Act, 1939 <i>see</i> Muslim laws   | 65.00  | F-6. Foreign Exchange Management Act, 1999  | 40.00  |
| D-4. Divorce Act, 1869   | 45.00  | F-7. Foreign Exchange Management Act, 1999 along with allied Rules and Regulations & Orders   | 325.00 |
| D-5. Dock Workers (Regulation of Employment) Act, 1948 along with Rules, 1962, Advisory Committee Rules, 1962, Safety, Health and Welfare Act, 1986, Regulation of Employment (Inapplicability of Major Ports) Act, 1997 | 125.00 | F-8. Foreign Exchange Regulation Act, 1973 along with Rules, 1974   | 70.00  |
| D-6. Dowry Prohibition Act, 1961 along with Rules and Relevant Provisions of IPC & Evidence and CrPC relating to Dowry   | 40.00  | F-9. Foreign Marriage Act, 1969 along with Foreign Marriage Rules, 1970   | 35.00  |
| D-12. Dramatic Performances Act, 1876  | 35.00  | F-10. Foreign Trade (Development and Regulation) Act, 1992 along with Rules, 1993   | 65.00  |
| D-7. Drugs & Cosmetics Act, 1940   | 65.00  | F-11. Foreigners Act, 1946 along with Foreigners Orders, 1948 with Registration of Foreigners Act, 1939 and Rules, 1992                     | 75.00  |
| D-8. Drugs & Cosmetics Act, 1940 along with Rules, 1945  | 450.00 | F-12. Forest Act, 1927 along with The Forest (Conservation) Act, 1980 and Rules, 2003 with The Compensatory Afforestation Fund Act, 2016    | 150.00 |
| D-9. Drugs & Magic Remedies (Objectionable Advertisements) Act, 1954 along with Rules, 1955  | 35.00  | F-13. Forward Contracts (Regulation) Act, 1952  | 50.00  |
|  |        | F-14. Freedom of Information Act, 2002  | 30.00  |

Upon coming into force of the limited liability partnership

Act, 2008 - Both Acts (LLP, PA) coexist but the provisions of Indian Partnership Act are not applicable to LLP

| G   |        | L  |        |
|---|--------|--|--------|
| G-1. Gas Cylinders Rules, 2016 along with allied Rules and Orders   | 185.00 | L-1. Land Acquisition Act, 1894  | 100.00 |
| G-2. General Clauses Act, 1897  | 35.00  | L-9. Land Ports Authority of India Act, 2010   | 65.00  |
| I-12. General Insurance Business (Nationalisation) Act, 1972 see Insurance Act, 1938  | 315.00 | L-7. Legal Metrology Act, 2009 along with Allied Rules   | 450.00 |
| G-5. Geographical Indications of Goods (Registration and Protection) Act, 1999 along with Rules, 2002   | 100.00 | L-2. Legal Services Authorities Act, 1987 along with allied Rules and Regulations              | 90.00  |
| G-9. Goods and Services Tax Acts with allied Orders (Containing 4 Acts)   | 190.00 | L-3. Life Insurance Corporation Act, 1956 along with Rules, 1956                               | 55.00  |
| G-10. Goods and Services Tax Acts with allied Rules and Orders  | 395.00 | L-4. Limitation Act, 1963  | 40.00  |
| G-7. Government Securities Act, 2006 along with Regulations   | 60.00  | L-6. Limited Liability Partnership Act, 2008 along with Notification and Allied Rules          | 340.00 |
| G-8. Gram Nyayalayas Act, 2008  | 40.00  | L-8. Limited Liability Partnership Act, 2008   | 55.00  |
| G-6. Guardians and Wards Act, 1890  | 35.00  | L-10. Lokpal and Lokayuktas Act, 2013  | 65.00  |
| H   |        | M  |        |
| H-1. Hindu Laws (Containing 5 Acts)   | 80.00  | M-26. Mahatma Gandhi National Rural Employment Guarantee Act, 2005                             | 60.00  |
| H-2. Hindu Adoption & Maintenance Act, 1956   | 35.00  | M-22. Major Port Trusts Act, 1963  | 75.00  |
| H-1. Hindu Disposition of Property Act, 1916 see Hindu Laws (Containing 5 Acts)   | 80.00  | M-1. Majority Act, 1875 along with Guardian and Wards Act, 1890                                | 40.00  |
| H-3. Hindu Marriage Act, 1955   | 40.00  | M-24. Maintenance and Welfare of Parents and Senior Citizens Act, 2007                         | 35.00  |
| H-4. Hindu Minority & Guardianship Act, 1956  | 35.00  | M-2. Maternity Benefit Act, 1961 along with Rules, 1963  | 50.00  |
| H-5. Hindu Succession Act, 1956   | 40.00  | M-3. Medical Council Act, 1956 along with  | 35.00  |
| H-6. Hire-Purchase Act, 1972 along with Life Insurance (Regulation) Act, 2005   | 35.00  | M-12. Monopolies and Restrictive Trade Practices Act, 1989                                     | 50.00  |
| I   |        | M-13. Motor Transport Workers Act, 1961  | 40.00  |
| I-13. Insurance Regulatory and Development Authority Act, 1999 along with allied Rules and Regulations  | 495.00 | M-14. Motor Vehicles Act, 1988   | 170.00 |
| I-14. Insurance Regulatory and Development Authority Act, 1999  | 45.00  | M-15. Motor Vehicles Rules, 1989 along with allied Material                                    | 395.00 |
| I-15. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 along with Rules, 1980                                   | 70.00  | M-16. Multimodal Transportation of Goods Act, 1993 along with allied Rules                     | 35.00  |
| I-16. Interest Act, 1978  | 35.00  | M-17. Multi-State-Co-operative Societies Act, 2002 along with Rules, 2002                      | 110.00 |
| I-17. Interest on Delayed Payments to Small Scale and Ancillary Industrial Undertakings Act, 1993   | 35.00  | M-18. Muslim Laws (Containing 9 Acts & Rules)  | 65.00  |
| J   |        | M-19. Muslim Personal Law (Shariat) Application Act, 1937                                      | 30.00  |
| J-1. Juvenile Justice (Care and Protection of Children) Act, 2015 along with Juvenile Justice (Care and Protection of Children) Act, 2000 and Rules, 2016 | 225.00 | M-20. Muslim Women (Protection of Rights on Divorce) Act, 1986 along with Rules, 1986          | 35.00  |
| K   |        | M-18. Mussalman Wakf Act, 1923, Mussalman Wakf Validating Act, 1913 & 1930 see Muslim Laws     | 65.00  |
| M-18. Kazis Act, 1880 see Muslim laws (Containing 9 Acts & Rules)   | 65.00  | N  |        |
|   |        | N-1. Narcotic Drugs & Psychotropic Substances Act, 1985 along with allied Act, Rules and Order | 195.00 |

Mull Dhar v. Chuni Lal 1985

Compendious way of describing the provisions of the firm.

Both Law - Indian Partnership Act, 2008 and Limited Liability Partnership (LLP) coexist but IPA does not apply to LLPs and vice versa. save as otherwise provided.

*Cop V. Hickman → Historic case laying down the test for determining the existence of Partnerships*

|   |        |  |        |
|---|--------|--|--------|
| N-18. National Anti-Doping Agency (NADA) Anti-Doping Rules, 2015  | 90.00  | P-18. Press & Registration of Books Act, 1867 along with Rules & Order   | 55.00  |
| N-2. National Commission Acts (Containing 5 Acts-Women Act, 1990; Minorities Act, 1992; Education Institutions Act, 2004; Backward Classes Act, 1993; Safai Karamcharis Act, 1993 and allied Information) | 70.00  | P-19. Press Council Act, 1978 along with allied Regulations  | 40.00  |
| N-3. National Commission for Minority Educational Institutions Act, 2004 along with allied Rules, 2006  | 40.00  | P-16. Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 see Essential Commodities Act, 1955            | 60.00  |
| N-16. National Food Security Act, 2013  | 70.00  | P-20. Prevention of Corruption Act, 1988   | 40.00  |
| N-6. National Highways Act, 1956 along with allied Acts & Rules   | 150.00 | P-21. Prevention of Cruelty to Animals Act, 1960 along with allied Rules   | 180.00 |
| N-6. National Highway Authority of India Act, 1988 see National Highways Act, 1956  | 150.00 | P-22. Prevention of Damage to Public Property Act, 1984 along with The Delhi Prevention of Defacement of Property Act, 2007                      | 35.00  |
| N-15. National Green Tribunal Act, 2010 with Order, 2010 along with The National Green Tribunal (Practice and Procedure) Rules, 2011  | 70.00  | P-23. Prevention of Food Adulteration Act, 1954 along with Rules, 1955   | 380.00 |
| N-14. National Investigation Agency Act, 2008   | 35.00  | P-27. Prevention of Illicit Traffic in NDPS Act, 1988 see Preventive Detention Laws  | 55.00  |
| N-17. National Judicial Appointment Commission Act, 2014  | 30.00  | P-24. Prevention of Insults to National Honour Act, 1971 along with Flag Code of India, 2002 and Orders Relating to the National Anthem of India | 40.00  |
| M-26. National Rural Employment Guarantee Act, 2005 with allied Rules   | 60.00  | P-25. Prevention of Money Laundering Act, 2002 along with allied Rules   | 170.00 |
| N-7. National Security Act, 1980  | 35.00  | P-27. Preventive Detention Laws (Containing 4 Acts)  | 55.00  |
| N-13. National Security Guard Act, 1986   | 60.00  | P-29. Prisoners Acts (Containing 6 Acts & Rules)   | 70.00  |
| N-12. National Tax Tribunal Act, 2005   | 35.00  | P-29. Prisoners (Attendance in Courts) Act, 1955 see Prisoners Acts  | 70.00  |
| P-9. National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation with Multiple Disabilities Act, 1999 see Persons with Disabilities (Equal Opportunities.....) Act, 1995        | 90.00  | P-30. Private Security Agencies (Regulation) Act, 2005 with Rules, 2006  | 40.00  |
| N-19. Natic   | 55.00  | P-31. Prize Chits and Money Circulation Schemes (Banning) Act, 1978  | 35.00  |
| N-8. Navy   |        | actions  |        |
| N-9. Negr   |        |  |        |
| N-10. Nota Rule   |        |  |        |
| O-1. Oath   |        |  | 80.00  |
| O-2. Offic  |        |  | 35.00  |
| O-3. Offir  |        |  | 40.00  |
| P-1. Par  |        |  | 35.00  |
| P-2. Par  |        |  | 93     |
| P-3. Par  |        |  | 60.00  |
| P-4. Pas  |        |  | 170.00 |
| P-5. Pa   |        |  | 606    |
| P-46. Pa  |        |  | 70.00  |
| P-6. Pa   |        |  | 1887   |
| P-7. Pa   |        |  | 40.00  |
| P-8. Pa   |        |  | 40.00  |
| P-9. Pi   |        |  | 1      |
| P   |        |  | 60.00  |
| A   |        |  | 35.00  |
| T   |        |  | 150    |
| D   |        |  | 35.00  |
| P-10. Petroleum Act, 1934 along with Rules, 2002  | 175.00 | R-1. Railways Act, 1925 along with allied Acts and Rules   | 130.00 |
| P-11. Pharmacy Act, 1948  | 70.00  | R-13. Railway Claims Tribunal Act, 1987 along with allied Rules  | 75.00  |
| P-12. Places of Worship (Special Provisions) Act, 1991  | 35.00  | R-2. Railway Protection Force Act, 1957 along with Rules, 1987   | 140.00 |
| P-13. Police Acts (6 Acts in 1)   | 80.00  | R-17. Real Estate (Regulation and Development) Act, 2016 with Allied Order   | 65.00  |
| P-13. Police (Incitement of Disaffection) Act, 1922 see Police Acts (6 Acts in 1)   | 80.00  | R-16. Real Estate (Regulation and Development) Act, 2016 with Allied Order and Rules for UTs and NCT of Delhi                                    | 450.00 |
| P-13. Police Forces (Restriction of Rights) Act, 1966 see Police Acts   | 80.00  | R-3. Recovery of Debts and Bankruptcy Act, 1993 along with allied Rules  | 85.00  |
| P-14. Post Office Act, 1898   | 40.00  | R-4. Registration Act, 1908  | 80.00  |
| P-15. Powers of Attorney Act, 1882  | 35.00  | R-5. Registration of Births and Deaths Act, 1969 and The Births, Deaths and Marriages Registration Act, 1886                                     | 40.00  |
| P-16. Prasar Bharti (Broadcasting Corporation of India) Act, 1990   | 50.00  |  |        |
| P-17. Pre-conception and Pre-natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 along with Rules  | 80.00  |  |        |

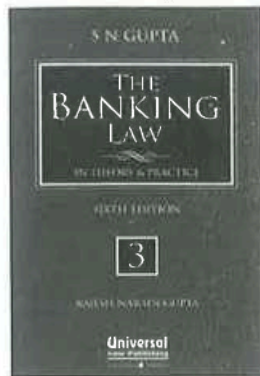
① An Act done by a Partner on behalf of the firm beyond the implied authority can be ratified expressly  
 ↳ can be ratified implicitly by conduct

② A, B, C → partners. C retires and instead admitted → The firm continued without notice and becomes indebted to ②. ② can sue



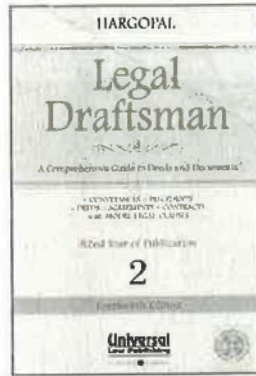
# NEW LAW BOOKS FROM UNIVERSAL

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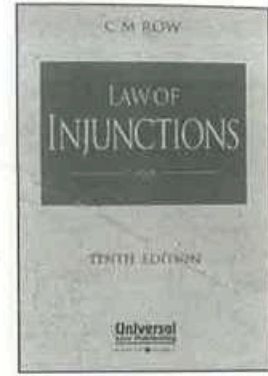
₹ 3995 (3 Vols.)

Hargopal



₹ 3995 (2 Vols.)

C M Row

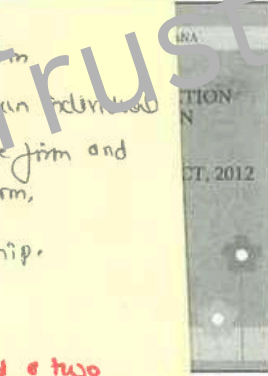
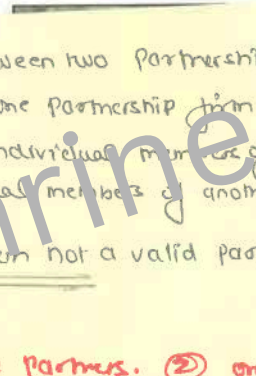
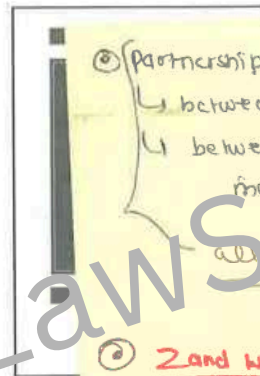


₹ 2250

Wharton's

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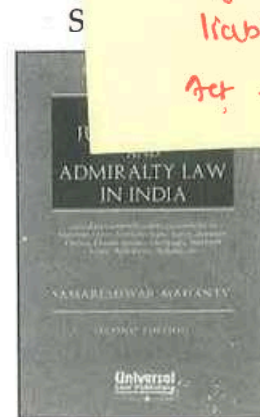
P S Narayana



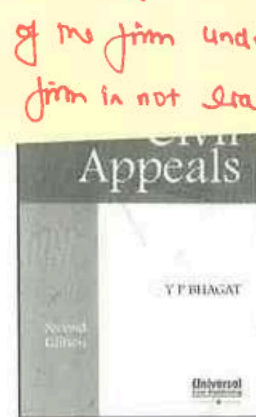
① Partnership between two Partnership firm  
 ↳ between one Partnership firm and an individual  
 ↳ between individual members of one firm and individual members of another firm,  
 all of them not a valid partnership.

② 2 and 11 are partners. ② ordered 2 two bags of wheat on firm's letter head.

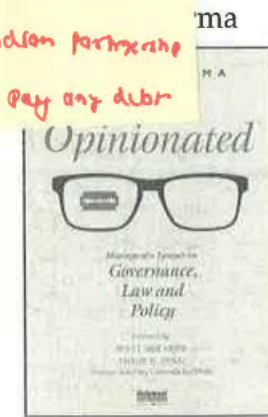
Liability of the firm under Indian Partnership Act → firm is not liable to pay any debt



₹ 895



₹ 895



₹ 450

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