

**JOINT/SELECT COMMITTEE  
REPORTS OF LEGISLATIVE  
ASSEMBLY - 1932**

**The Indian Partnership Bill**

List of Reports of Select or Joint Committees  
presented in the Legislative Assembly in 1932.

Serial No.	Short title of the Bill.	Date of presentation.	Remarks.
1.	The Indian Partnership Bill.	26.1.32.	
2.	The Wire and Wire Nail Industry (Protection) Bill.	15.2.32.	
3.	The Bamboo Paper Industry (Protection) Bill.	16.2.32.	
4.	The Bengal Criminal Law Amendment (Supplementary) Bill.	22.2.32.	
5.	The Sugar Industry (Protection) Bill.	23.2.32.	
6.	The Foreign Relations Bill.	29.2.32.	
7.	The Indian Air Force Bill.	10.3.32.	
8.	The Ancient Monuments Presentation (Amendment) Bill.	5.4.32.	
9.	The Port Haj Committees Bill.	5.9.32.	
10.	The Tea Districts Emigrant Labour Bill.	5.9.32.	
11.	The Code of Criminal Procedure (Amendment) Bill.	12.9.32.	
12.	The Children Pledging of Labour Bill.	19.9.32.	
13.	The Criminal Law Amendment Bill.	7.11.32.	
14.	The Indian Merchant Shipping (Amendment) Bill.	14.11.32.	
15.	The Indian Tariff (Ottawa Trade Agreement) Amendment Bill.	12.12.32.	

## LEGISLATIVE ASSEMBLY.

We, the undersigned, Members of the Select Committee to which the Bill to define and amend the law relating to partnership was referred, have considered the Bill and the papers noted in the margin, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

**2. Clause 1.**—We propose that the Act generally should come into force on 1st October, 1932, and section 68 a year later. This arrangement should provide ample opportunity to the public to become acquainted with the new law, especially with the Chapter on Registration, and to Government to make arrangements for giving effect to that Chapter.

**Clauses 5 to 8.**—We have transposed clause 6 so as to make it clause 5; and we have transformed clauses 7 and 8 into Explanations attached to clause 6 (original clause 5). We consider that this re-arrangement will make it clearer that the sharing of profits, gross return, etc., is strong evidence of partnership, though not in itself conclusive evidence. The clauses, as originally arranged, might have had the effect of diminishing the value of these facts as evidence.

Towards the end of Explanation 2 (original clause 8) we have made a drafting amendment, by substituting for the category of "lender, servant, agent, etc." the single word "receiver" covering it.

**Clause 11A** is considered along with clause 14.

**Clause 13.**—The provision in sub-clause (d), providing that the books of the firm shall be kept at its place of business, or, where there is more than one such place, at the principal place of business, seems to us to give rise to difficulties. Firstly, where a firm has its headquarters in an Indian State, the provision will be of no value as the Act will not be in force in an Indian State. Secondly, no definition is possible of "the principal place of business", as this place must depend upon arrangement among the partners. We think, therefore, that it will be preferable to confine this clause merely to declaring the right of each partner to have access to all the books of the firm, and we have amended the clause accordingly.

**Clause 14.**—As regards sub-clause (f), we consider that it will be improper to allow any partner to contract himself out of liability for fraud, and it is very doubtful if such a contract will be legal. As regards "wilful neglect", however, it should be open to a partner at least to limit his liability to indemnify his partners. We have accordingly deleted the words "fraud or" from this sub-clause and have inserted after clause 11 a new clause 11A relating to indemnification for fraud only. This new clause makes the liability to indemnify for fraud absolute and not subject to contract.

**Clause 15.**—In the second paragraph we have substituted the word "acquired" for the word "purchased" in order to cover the acquisition of leases, mortgages, etc. We have also assimilated the wording in this paragraph to that in the first.

**Clause 18.**—We propose, for greater clearness, to use for the phrase "change in a firm" the phrase "change in the constitution of a firm" throughout the Bill and we have amended the clause accordingly.

After the word "partners" we have also inserted the words "in the reconstituted firm" in order to make it clear that the clause has no reference to former partners. We propose to use the phrase "reconstituted firm" for the phrase "changed firm" throughout the Bill.

**Clause 19.**—We have split sub-clause (1) into two separate provisions—clause 19 and sub-clause 19A (1). In clause 19, we have stated the general proposition that a partner is an agent of the firm, but have restricted this general proposition by prefacing the words "Subject to the provisions of this Act". We have also altered the word "affairs" into "business". The latter word is used in section 5 of the English Act and seems to be the more suitable term.

We have confined sub-clause 19A (1) to the statement of a partner's implied authority as agent of the firm.

As regards sub-clause (2) of clause 19 [now sub-clause (2) of clause 19A], it is clear from the opinions received that, in Calcutta particularly, it is a trade custom that partners make contracts of sale containing a clause referring disputes to arbitration. This sub-clause, as it stands, will make this practice impossible in the absence of a contract between the partners; and it may also perhaps lay open to challenge the arbitration clauses in many existing contracts. It seems desirable, therefore, to relax the provisions of this sub-clause to some extent, and we propose to modify them by inserting at the beginning the words "In the absence of any usage or custom of trade to the contrary". These words are taken from section 1 of the Indian Contract Act. We also considered carefully the suggestion that the whole of this sub-clause should be deleted, but we are of opinion that in its modified form it will be a useful guide to many Courts.

We also consider that clause (f) should be widened so as to cover all acquisitions of immovable property.

**Clause 22.**—We have omitted the second paragraph, as it contains no substance. Special laws relating to the execution and registration of documents, and to the drawing, accepting and endorsing of negotiable instruments will apply in any case without this proviso.

**Clause 30.**—In sub-clause (2) we have made it explicit that a minor admitted to the benefits of partnership may be entitled to such share of the profits, as well as of the property, as may be agreed upon. Also, we consider it dangerous to give the minor, or any one acting for him, access to all the books of the firm, as some of the books may contain secrets which should be restricted to the partners. We have, therefore, altered the word "books" to "accounts".

We have made it quite clear in sub-clause (4) that the minor cannot sue for his share of the property or profits except when he wishes to sever his connection with the firm.

We have deleted sub-clause (5), as we prefer to leave all arrangements relating to the minor's share of the property to be settled by agreement made when the minor is admitted to the benefits of partnership.

As regards the last sub-clause, there is a strong volume of opinion that the period within which the minor should give notice of his intention to

leave the firm should be a definite period. In deference to this opinion we propose that the period should be fixed at six months. As this is a considerable stretch of time in which many things may happen, we have deemed it expedient to work out in greater detail the rights and liabilities of the minor when he attains majority. We propose that he should be required to give public notice whether he elects to become or not to become a partner; and we have worked out the rights and liabilities on the general idea that his minority shall be deemed to continue until he gives notice, or until the expiry of the six months, as the case may be. We have done this in sub-clauses (6), (7) and (8) and have added sub-clause (9) to safeguard the interests of third parties in cases where the minor after attaining majority in fact acts as a partner before giving public notice.

*Clause 31.*—In sub-clause (1) we have inserted a passage saving the provisions of clause 30.

We have amended sub-clause (2) to ensure that a new partner when entering a firm may voluntarily assume liability for acts done before he became a partner.

*Clause 32.*—In sub-clause (2) we have added words explaining that the agreement can be implied only by a course of dealing after the third party has had notice of the retirement.

*Clause 36.*—We have deleted the last nineteen words as the restriction they would place on the agreements contemplated seems to us to be undesirable.

*Clause 37.*—We have deleted the reference to the Court as unnecessary.

*Clauses 50 and 53.*—In both clauses we have inserted a proviso which will protect the rights of a partner who has bought the goodwill of the firm.

*Clause 53A.*—This reproduces the second exception to section 27 of the Indian Contract Act, with amendments to assimilate it to clause 36 (2).

*Clause 54.*—In sub-clause (2) we have made a small drafting amendment. In sub-clause (3) we have made the same amendment which we have made in clause 36 (2).

*Clause 57.*—Under the original draft of sub-clause (1), the validity of the registration of a firm could be disputed on the ground that its principal place of business does not lie within the area in which it has been registered. To avoid this we propose that registration may be effected in any area in which the firm carries on business.

The small amendment in clause (e) will require partners to give their names in full.

At the end of sub-clause (1), we have inserted words which will allow partners residing at a distance to give special authority to agents to sign on their behalf applications for registration. This amendment will cover the signing of statements under clause 59.

*Clauses 60 and 61* are similarly amended, but as regards these less important acts we have not required special authorisation.

*Clause 62.*—We have amended the clause in the same manner as clause 57; and we have also made an amendment consequential on the amendment of clause 30.

*Clause 67.*—The amendments in this clause are consequential on amendments in clauses 57, 60, 61 and 62.

NEW DELHI;

The 23rd January, 1932.

*Clause 68.*—We have inserted the new sub-clause (4) to provide for the cases of firms whose places of business are all outside British India or in areas exempted from the operation of this Chapter. Such firms will be allowed to institute a suit, without being registered, in any Court in British India which otherwise has jurisdiction to try the suit.

*Clause 70.*—As regards the fixing of fees payable to registering officers, we consider it most desirable that the fees should be uniform throughout India, and that they should not be allowed to be developed into a source of revenue disproportionate to the services rendered. We have, therefore, made a special sub-clause giving the power to make rules to fix fees to the Governor General in Council, and we have framed a Schedule setting out the maximum rates which may be prescribed.

*Clause 71.*—The first amendment in clause (a) is consequential upon the amendments in clause 30.

We have made an important change in this clause by requiring that all public notices shall be published in the Gazette and in a local vernacular newspaper. In addition, public notices relating to registered firms must also be communicated to the Registrar of Firms. In view of the wide area in which many firms in India operate, it seems to us to be insufficient that public notices relating to registered firms should be made merely by intimation to a Registrar of Firms.

3. The Bill was published as follows:—

IN ENGLISH.

Gazette.	Date.
Gazette of India	24th January, 1931.
Fort St. George Gazette	3rd February, 1931.
Bombay Government Gazette	9th April, 1931.
Calcutta Gazette	5th March, 1931.
United Provinces Gazette	21st March, 1931.
Punjab Government Gazette	28th June, 3rd July, 10th July, 1931.
Burma Gazette	14th, 21st and 28th March, and 4th April, 1931.
Central Provinces Gazette	31st January, 1931.
Assam Gazette	4th February, 1931.
Bihar and Orissa Gazette	25th February, 1931.
Coorg District Gazette	1st April, 1931.
Sind Official Gazette	23rd April, 1931.
North-West Frontier Gazette	13th March, 1931.

IN THE VERNACULARS.

Province.	Language.	Date.
Madras	Tamil	2nd June, 1931.
	Telugu	9th June, 1931.
	Hindustani	23rd June, 1931.
	Kanarese	16th June, 1931.
	Malayalam	1st Sept. 1931.
	Uriya	27th Oct. 1931.
Bombay	Marathi	2nd July, 1931.
	Gujarathi	25th June, 1931.
	Kanarese	25th June, 1931.
	Urdu	9th July, 1931.
Burma	Burmese	1st April, 1931.
Central Provinces.	Marathi	20th June, 1931.
	Hindi	23rd May, 1931.
Sind	Sindhi	2nd July, 1931.

4. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

\*HAR BILAS SARDA.

L. GRAHAM-

L. V. HEATHCOTE.

SATISH CH. SEN.

S. C. MITRA.

TRILOK NATH BHARGAVA.

RAMESHWAR P. BAGLA.

\* Subject to a minute of dissent.

3 3

NOTE OF DISSENT.

While agreeing generally with the views set forth in the Report of the Select Committee, I find that there are a few points on which I am unable to agree with the conclusions embodied in the Report.

2. The Indian Partnership Bill is based on the English Partnership Act of 1890 A. D. and, generally speaking, closely follows the provisions of the latter Act. As I am of opinion that trade and commerce in India have not always followed the same line of development as trade in England has done, and as conditions of life differ materially in certain respects in the two countries, I think that the means employed in England to achieve an object are not always suitable to be employed in India to achieve the same end. In view of this difference, I am apt to think that the provisions contained in Chapter VII of the Bill should be very cautiously and very gradually applied to India. The framers of the Bill, in enacting sub-clause (3) of clause 1 have recognised the difference between the business conditions in India and those in England by providing that clause 68 of the Bill shall come into operation 12 months after the rest of the Bill comes into operation, in other words, after people in India have to some extent become familiar with the principles underlying the Bill.

3. Clause 68 is not only the most vital clause in Chapter VII—the most important Chapter in the Bill—but it introduces a provision on which serious difference of opinion exists.

4. I have no doubt whatever that from the point of view of Courts administering the law, and of the legal practitioners, enactment of clause 68 would be most useful inasmuch as some of the difficulties sometimes now experienced in order to prove the constitution of a particular firm, would be removed. But the matter has to be looked at also from the point of view of traders and businessmen. And looking at the matter from the point of view of men engaged in business on a small scale, the provisions of clause 68 will prove a serious clog on business in small towns and villages. I am therefore of opinion that this clause should not apply to partnership firms doing business on a very restricted or small scale. While admitting that limitation of the application of clause 68 in geographical terms may be invidious and a definition of small business in terms of capital employed in the business, not easy, I still think that the resources of language are not so inadequate as to fail to define with a certain degree of accuracy and exactness the limitation which we would place on the application of

this clause. I would, for instance, provide that this clause shall not apply to firms which can disclose the capital of the firm and that capital is below Rs. 1,000. This will bring within the purview of clause 68 all firms which would not or cannot disclose their capital or which have a capital of Rs. 1,000 or more. A provision like this will not only fully serve the purpose for which clause 68 is sought to be enacted, but will afford relief from the clogging operation of this clause to small firms doing business in villages and smaller towns and whose operations do not admit of those firms being placed on the same plain of action as the big partnership firms operating in big cities on a large scale.

5. Another point on which I have to make an observation is with regard to the penalties provided in clause 69. This clause places on the same footing "a false statement" and "an incomplete statement" and provides the same punishment for both. I am of opinion that if it be at all deemed necessary to provide in this act a penalty for filing a false statement, I should have no objection. But I think that the penalty for filing an incomplete statement should not be more than a nominal fine, say, Rs. 50 or more, particularly in view of the fact that clause 58 provides that the Registrar will record the particulars supplied, only when he is satisfied that they fulfil the provisions of clause 57 which enumerates the particulars required by law to be filed.

6. Another point which I wish to emphasize is that the Indian Partnership Act is not a revenue measure and must not be so worked as to be made a source of revenue. Some expenses will have to be incurred to keep a staff to do the work of registration as provided in Chapter VII. Sufficient registration fees should therefore be levied to cover this extra expenditure. I therefore think that the schedule of fees (Schedule I) proposed to be levied under clause 70 is rather high. I would alter Schedule I, so as to substitute Re. 1 for 3-0-0, and 0-8-0 for one rupee, wherever mentioned. The copying fee should be annas four for every page of the copy in place of annas four for every 100 words.

HAR BILAS SARDA.

*Dated the 24th January, 1932.*

4  
[As amended by the Select Committee.]

[Words printed in italics indicate the amendments suggested by the Committee.]

## THE INDIAN PARTNERSHIP BILL.

---

### CONTENTS.

---

#### CHAPTER I.

##### PRELIMINARY.

##### SECTIONS.

1. Short title, extent and commencement.
2. Definitions.
3. Application of provisions of Act IX of 1872.

---

#### CHAPTER II.

##### THE NATURE OF PARTNERSHIP.

4. Definition of "partnership", "partner", "firm" and "firm name".
5. Partnership not created by status.
6. Mode of determining existence of partnership.  
\* \* \* \* \*
9. Partnership at will.
10. Particular partnership.

---

#### CHAPTER III.

##### RELATIONS OF PARTNERS TO ONE ANOTHER.

11. General duties of partners.
- 11A. *Duty to indemnify for loss caused by fraud.*
12. Determination of rights and duties of partners by contract between the partners.  
Agreements in restraint of trade.
13. The conduct of the business.
14. *Mutual rights and liabilities.*
15. The property of the firm.
16. Application of the property of the firm.
17. Personal profits earned by partners.
18. Rights and duties of partners after a change in the firm,  
after the expiry of the term of the firm, and where additional undertakings are carried out.

---

#### CHAPTER IV.

##### RELATIONS OF PARTNERS TO THIRD PARTIES.

19. *Partner to be agent of the firm.*
- 19A. *Implied authority of partner as agent of the firm.*
20. Extension and restriction of partner's implied authority.

## SECTIONS.

21. Partner's authority in an emergency.
22. Mode of doing act to bind firm.
23. Effect of admissions by a partner.
24. Effect of notice to acting partner.
25. Liability of a partner for acts of the firm.
26. Liability of the firm for wrongful acts of a partner.
27. Liability of firm for misapplication by partners.
28. Holding out.
29. Rights of transferee of a partner's interest.
30. Minors admitted to the benefits of partnership.

## CHAPTER V.

## INCOMING AND OUTGOING PARTNERS.

31. Introduction of a partner.
32. Retirement of a partner.
33. Expulsion of a partner.
34. Insolvency of a partner.
35. Liability of estate of deceased partner.
36. *Rights of outgoing partner to carry on competing business.*  
Agreements in restraint of trade.
37. Right of outgoing partner in certain cases to share subsequent profits.
38. Revocation of continuing guarantee by change in firm.

## CHAPTER VI.

## DISSOLUTION OF A FIRM.

39. Dissolution of a firm.
40. Dissolution by agreement.
41. Compulsory dissolution.
42. Dissolution on the happening of certain contingencies.
43. Dissolution by notice of partnership at will.
44. Dissolution by the Court.
45. Liability for acts of partners done after dissolution.
46. Right of partners to have business wound up after dissolution.
47. Continuing authority of partners for purposes of winding up.
48. Mode of settlement of accounts between partners.
49. Payment of firm debts and of separate debts.
50. Personal profits earned after dissolution.
51. Return of premium on premature dissolution.
52. Rights where partnership contract is rescinded for fraud or misrepresentation.
53. Right to restrain from use of firm name or firm property.
- 53A. *Agreements in restraint of trade.*
54. Sale of goodwill after dissolution.  
Rights of buyer and seller of goodwill.  
*Agreements in restraint of trade.*

## CHAPTER VII.

## REGISTRATION OF FIRMS.

## SECTIONS.

55. Power to exempt from application of this Chapter.
56. Appointment of Registrars.
57. Application for registration.
58. Registration.
59. Recording of alterations in firm name and principal place of business.
60. Noting of closing and opening of branches.
61. Noting of changes in names and addresses of partners.
62. Recording of changes in and dissolution of a firm.  
Recording of withdrawal of a minor.
63. Rectification of mistakes.
64. Amendment of Register by order of Court.
65. Inspection of Register and filed documents.
66. Grant of copies.
67. Rules of evidence.
68. Effect of non-registration.
69. Penalty for furnishing false particulars.
70. Power to make rules.

## CHAPTER VIII.

## SUPPLEMENTAL.

71. Mode of giving public notice.
72. Repeals.
73. Savings.

## SCHEDULE I.

## SCHEDULE II.



A  
BILL

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

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

(3) It shall come into force on the 1st day of October, 1932, except section 68, which shall come into force on the 1st day of October, 1933.

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

(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, shall have the meanings **IX** of 1872 assigned to them in that Act.

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

CHAPTER II.

THE NATURE OF PARTNERSHIP.

4. "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.  
Definition of "partnership", "partner", "firm" and "firm name".

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".

5. The relation of partnership arises from Partnership not created by status. contract and not from status;

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

6. In determining whether a group of persons is or is not a firm, or Mode of determining whether a person is or is existence of partnership. 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.

*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.

9. Where no provision is made by contract Partnership at will. between the partners for the duration of their partnership, or for the determination of their partnership, the partnership is "partnership at will".

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

### CHAPTER III.

#### RELATIONS OF PARTNERS TO ONE ANOTHER.

11. Partners are bound to carry on the business General duties of partners. of the firm to the greatest common advantage, to be just and faithful to each other, and to render true accounts and full information of all things affecting the firm to any partner or his legal representative.

11A. Every partner shall indemnify the firm for any loss caused to it by his fraud in the conduct of the business of the firm. Duty to indemnify for loss caused by fraud.

12. (1) The mutual rights and duties of the partners of a firm may be determined by contract between the partners, and such contract may be express or may be implied by a course of dealing.

Determination of rights and duties of partners by contract between the partners. Such contract may be varied by consent of all the partners, and such consent may be express or may be implied by a course of dealing.

(2) Notwithstanding anything contained in section 27 of the Indian Contract Act, 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. IX of 1872.

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

- (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.

14. Subject to contract between the partners—  
Mutual rights and liabilities.

- (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.

15. 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 the business of the firm, and includes also the goodwill of the business.

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.

16. 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.

17. Subject to contract between the partners, —  
Personal profits earned by 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 ;

(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.

18. Subject to contract between the partners, —

(a) where a change occurs in the constitution of a firm, the Rights and duties of mutual rights partners after a change and duties of in the firm, the partners in the reconstituted firm remain the same as they were immediately before the change, as far as may be ;

(b) where a firm constituted for a fixed term continues to carry on business after the expiry of the term of the firm, and 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 a firm constituted to carry out one or more 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. Subject to the provisions of this Act, a partner is the agent of the firm for the purposes of the business of the firm.

19A. (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 immoveable property on behalf of the firm,
- (g) transfer immoveable property belonging to the firm, or
- (h) enter into partnership on behalf of the firm.

20. 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.

21. 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. 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.

\* \* \* \* \*

23. An admission or 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. Notice to a partner who habitually acts in the business of the firm of any matter relating to the affairs of the firm operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner.

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

26. 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.

## 27. Where—

Liability of firm for misapplication by partners.

- (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.

28. (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. (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 accounts, or to inspect the books of the firm, but entitles the transferee only to receive the share of profits of the transferring partner, and the transferee shall accept the account of profits agreed to by the partners.

(2) If the firm is dissolved or if the transferring partner ceases to be a partner, the transferee is entitled as against the remaining partners to receive the share of the assets of the firm to which the transferring partner is entitled, and, for the purpose of ascertaining that share, to an account as from the date of the dissolution.

30. (1) A person who is a minor according to the law to which he is subject may not be a partner in a firm, but, with the consent of all the partners for the time being, he may be admitted to the benefits of partnership.

(2) Such minor has a right to such share of the property and of the profits of the firm as may be agreed upon, and he may have access to and inspect and copy any of the accounts of the firm.

(3) Such minor's share is liable for the acts of the firm, but the minor is not personally liable for any such act.

(4) Such minor may not sue the partners for an account or payment of his share of the property or profits of the firm, save when severing his connection with the firm, and in such case the amount of his share shall be determined by a valuation made as far as possible in accordance with the rules contained in section 48 :

Provided that all the partners acting together or any partner entitled to dissolve the firm upon

notice to other partners may elect in such suit to dissolve the firm, and thereupon the Court shall proceed with the suit as one for dissolution and for settling accounts between the partners, and the amount of the share of the minor shall be determined along with the shares of the partners.

(5) \* \* \* \* \*

(6) *At any time within six months of his attaining majority, such person may give public notice that he has elected to become or that he has elected not to become a partner in the firm, and such notice shall determine his position as regards the firm :*

*Provided that, if he fails to give such notice, he shall become a partner in the firm on the expiry of the said six months.*

(7) *Where such person becomes a partner,—*

(a) *his rights and liabilities as a minor continue up to the date on which he becomes a partner, but he also becomes personally liable to third 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.*

## CHAPTER V.

### INCOMING AND OUTGOING PARTNERS.

31. (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.

32. (1) A partner may retire—

*Retirement of a partner.*

(a) with the consent of all the other partners,

(b) in accordance with an express agreement by the partners, or

(c) where the partnership is at will, by giving notice in writing to all the other partners of his intention to retire.

(2) A retiring partner may be discharged from any liability to any 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.

33. (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. (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 thereby 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. 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.

36. (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.

(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 specified local limits ; and, notwithstanding anything contained in section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable \* \* \*

37. 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 where by contract between the partners an option is given to surviving or continuing partners to purchase the interest of a deceased or outgoing partner, and that option is duly exercised, the estate of the deceased partner, or the outgoing partner or his estate, as the case may be, is not entitled to any further or other share of profits ; but if any partner assuming to act in exercise of the option does not in all material respects comply with the terms thereof, he is liable to account under the foregoing provisions of this section.

38. 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. The dissolution of partnership between all the partners of a firm is called the "dissolution of the firm".

40. A firm may be dissolved with the consent of all the partners or in accordance with a contract between the partners.

41. A firm is dissolved—

Compulsory dissolution.

- (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. 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.

43. (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.

44. 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 ;
- (b) that a partner, other than the partner suing, has become in any way permanently incapable of performing his duties as partner ;
- (c) that a partner, other than the partner suing, is guilty of conduct which is likely to affect prejudicially the carrying on of the business, regard being had to the nature of the business ;
- (d) that a partner, other than the partner suing, wilfully or persistently commits breach of agreements relating to the management of the affairs of the firm or the conduct of its business, or otherwise so conducts himself in matters relating to the business that it is not reasonably practicable for the other partners to carry on the business in partnership with him ;
- (e) that a partner, other than the partner suing, has in any way transferred the whole of his share in the property of 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, 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.

45. (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.

46. 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

Liability for acts of partners done after dissolution.

Right of partners to have business wound up after dissolution.

v of 1908.

the surplus distributed among the partners or their representatives according to their rights.

47. 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 affairs 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. In settling the accounts of a firm after dissolution, the following rules shall, subject to agreement by the partners, be observed :—

- Mode of settlement of accounts between partners.
- (a) Losses, including deficiencies of capital, shall be paid first out of profits, next out of capital, and, lastly, if necessary, by the partners 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.

49. 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. Subject to contract between the partners, the provisions of clause (a) of section 17 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 bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.*

**51. Where a partner has paid a premium on**

Return of premium on premature dissolution. entering into partnership for 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 a 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. Where a contract creating partnership is**

Rights where partnership contract is rescinded for fraud or misrepresentation. 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 of 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. After a firm is dissolved, every partner or**

Right to restrain from use of firm name or firm property. 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.*

**53A. 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, such agreement shall be valid if the restrictions imposed are reasonable.*

**54. (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.

**(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.
- (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, such agreement shall be valid if the restrictions imposed are reasonable.

## CHAPTER VII.

### REGISTRATION OF FIRMS.

55. The Governor General in Council may, by notification in the Gazette of India, direct that the provisions of this Chapter shall not apply to any province or to any part thereof specified in the notification.

56. (1) The Local 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.

XLV of 1

57. (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 the Crown or the Government of India or a Local Government, except when the Governor General in Council signifies his consent to the use of such words as part of the firm name by order in writing under the hand of one of the Secretaries of the Government of India.

58. When the Registrar is satisfied that the provisions of section 57 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.

59. (1) When an alteration is made in the firm name or in the location of the principal place of business of a registered firm, a statement may be sent to the Registrar accompanied by the prescribed fee, specifying the alteration, and signed and verified in the manner required under section 57.

(2) When the Registrar is satisfied that the provisions of sub-section (1) have been duly complied with, he shall amend the entry relating to the firm in the Register of Firms in accordance with the statement, and shall file it along with the statement relating to the firm filed under section 58.

60. When a registered firm discontinues business at any place or begins to carry on business at any place, such place not being its principal place of business, any partner or agent of the firm may send intimation thereof to the Registrar, who shall make a note of such intimation in the entry relating to the firm in the Register of Firms, and shall file the intimation along with the statement relating to the firm filed under section 58.

61. 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 60.

62. (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 58.

(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).

63. (1) The Registrar shall have power at all times to rectify any mistake in order to bring the entry in the Register of Firms relating to any firm into conformity with the documents relating to that firm filed under this Chapter.

(2) On application made by all the parties who have signed any document relating to a firm filed under this Chapter, the Registrar may rectify any mistake in such document or in the record or note thereof made in the Register of Firms.

64. A Court deciding any matter relating to a registered firm may direct that the Registrar shall make any amendment in the entry in the Register of Firms relating to such firm which is consequential upon its decision; and the Registrar shall amend the entry accordingly.

65. (1) The Register of Firms shall be open to inspection by any person on payment of such fee as may be prescribed.

(2) All statements, notices and intimations filed under this Chapter shall be open to inspection, subject to such conditions and on payment of such fee as may be prescribed.

66. The Registrar shall on application furnish to any person, on payment of such fee as may be prescribed, a copy, certified under his hand, of any entry or portion thereof in the Register of Firms.

67. (1) Any statement, intimation or notice recorded or noted in the Register of Firms shall, as against any person *by whom or on whose behalf* such statement, intimation or notice was signed, be conclusive proof of any fact therein stated.

(2) A certified copy of an entry relating to a firm in the Register of Firms may be produced in proof of the fact of the registration of such firm, and of the contents of any statement, intimation or notice recorded or noted therein.

68. (1) No suit to enforce a right arising from a contract or conferred by this Act 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.

(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, or the Provincial Insolvency Act, 1920, to realise the property of an insolvent partner.

II of 1909.  
V of 1920.

(4) This section shall not apply to firms or to partners in firms which have no place of business in British India, or whose places of business in British India are situated in areas to which, by notification under section 55, this Chapter does not apply.

69. 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.

70. (1) *The Governor General in Council may make rules prescribing 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 Local Government may make rules—

- (a) prescribing the form of statement submitted under section 57, and of the verification thereof ;
- (b) requiring statements, intimations and notices under sections 59, 60, 61 and 62 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 ;
- \* \* \* \* \*
- (i) regulating the elimination of registers and documents ;
- (j) providing for the maintenance and form of an Index to the Register of Firms ; and
- (k) generally, to carry out the purposes of this Chapter.

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

## CHAPTER VIII.

### SUPPLEMENTAL.

71. A public notice under this Act is given:—

*Mode of giving public notice.*

- (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 a person attaining majority who was admitted as a minor to the benefits of partnership, by notice to the Registrar of Firms under section 62, and by publication in the local 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, and



(b) in any other case, by publication in the local 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.

72. The enactments mentioned in \*Schedule II are hereby repealed to the extent specified in the fourth column thereof.

73. Nothing in this Act or any repeal effected thereby shall affect or be deemed to affect—

- Savings.
- (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.

#### SCHEDULE I.

##### MAXIMUM FEES.

[See sub-section (1) of section 70.]

Document or act in respect of which the fee is payable.	Maximum fee.
Statement under section 57 . . .	Three rupees.
Statement under section 59 . . .	One rupee.
Intimation under section 60 . . .	One rupee.
Intimation under section 61 . . .	One rupee.
Notice under section 62 . . .	One rupee.
Application under section 63 . . .	One rupee.
Inspection of the Register of Firms under sub-section (1) of section 65.	Eight annas for inspecting one volume of the Register.
Inspection of documents relating to a firm under sub-section (2) of section 65.	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.

## \* SCHEDULE II.

## ENACTMENTS REPEALED.

(See section 72.)

Year.	No.	Short title.	Extent of Repeal.
1	2	3	4
1872	IX	The Indian Contract Act, 1872.	Exceptions 2 & 3 to section 27. The whole of Chapter XI.
1920	Burma Act VIII.	The Burma Registration of Business Names Act, 1920.	The whole.

25  
GOVERNMENT OF INDIA.  
LEGISLATIVE ASSEMBLY  
DEPARTMENT.

---

Report of the Select Committee on the  
Bill to define and amend the law  
relating to partnership, with the Bill  
as amended.

.

---