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PARTNERSHIP ACT, 1932

INTRODUCTION

HISTORICAL BACKGROUND

The Indian Partnership Act was enacted in 1932 and it came into force on 1st day of October, 1932. The present Act superseded the earlier law relating to Partnership, which was contained in Chapter XI (Sections 239 to 266) of the Indian Contract Act, 1872. The rules relating to offer and acceptance, consideration, free consent, legality of object, etc., as contained in the Indian Contract Act are applicable to a contract of Partnership also. The Contract Act was not a complete code upon in relation to such types of matters. The codification of the English Law of Partnership in 1890, reflecting the changes which appeared in the flow of business life in the crucial period of expanding trade and commerce and the development of trade in India and a number of cases pointing out the incompleteness of the chapter on the law of partnership, made it almost necessary that there should be for the help of the business community a more exhaustive enactment on the law of partnership. Thus, the Partnership Act, 1932, appeared in the wake of this development. Before the enactment of the Indian Partnership Act 1932, the whole subject was carefully examined by a Special Committee which scrutinised the English Partnership Act and the judicial decisions in England and in India with a view to adapting the English provisions to the needs and conditions of India. Apart from minor differences necessitated by the peculiar conditions of India, the basic principles embodied in the Indian Partnership Act 1932 are the same as those contained in the English Partnership Act 1890. There are 8 Chapters, 74 Sections and 2 Schedules in Partnership Act, 1932.

Chapter No.	Chapter Name	Section No.
1.	Preliminary	1. Short title, extent and commencement 2. Definitions 3. Application of Provisions of Act 9 of 1872
2.	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 7. Partnership at will 8. Particular partnership
3.	Relations of Partners to One Another	9. General duties of partners 10. Duty to indemnify for loss caused by fraud

		11. Determination of rights and duties of partners by contract between the partners 12. The conduct of the business 13. Mutual rights and liabilities 14. The property of the firm 15. Application of the property of the firm 16. Personal profits namned by partners 17. Rights and duties of partners
4.	Relation of Partners to Third Parties	18. Partners to be agent of the firms 19. Implied authority of partner as agent of the firm 20. Extension and restriction of partner's implied authority. 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.
5.	Incoming and Outgoing Partners	31. Introduction of a partner 32. Retirement of a partner 33. Expulsion of a partner 34. Insolvency a partner 35. Liability of estate of deceased partner 36. Rights of outgoing partner to carry on competing business 37. Right of outgoing partner in certain cases to share subsequent profits

		38. Revocation of continuing guarantee by change in firm
6.	Dissolution of a Firm	39. Dissolution of 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 Courts 45. Liability for acts of partners done after dissolution 46. Right of partners to have business wound up after 47. dissolution 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. Rights to restrain from use of firm name or firm property 54. Agreements in restraint of trade 55. Sale of good will after dissolution
7	Registration of Firms	56. Power to exempt from application of this Chapter 57. Appointment of Registrar 58. Application of registration 59. Registration 60. Recording of alterations in firm name and principal place of business 61 Noting of closing and opening of branches

		62. Noting of changes in names and addresses of partners 63. Recording of changes in and dissolution of a firm 64. Rectification of mistakes 65. Amendment of Register by order of court 66. Inspection of Register and filed documents 67. Grant of copies 68. Rules of evidence 69. Effect of non-registration 70. Penalty for furnishing of false particulars 71. Power to make rules
8.	Supplemental	72. Mode of giving public notice 73. [Repeals] 74. Saving



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