



Unit 3

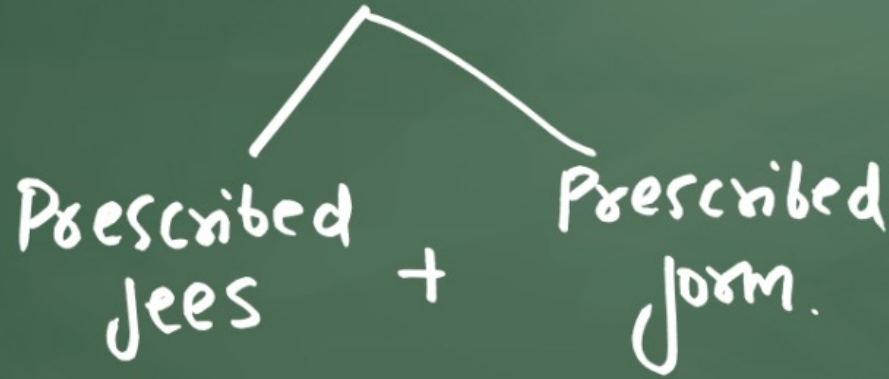
Registration & Dissolution of a Firm



(58) = Application to
of
REG

ROF
Registrar of Firms
जो आता PoB Place of BIZ
area

(1)



SECTION 59

Certificate
of
Registrar

(2) Content : Name - P.A.N.D.Du

(3) Statement = Signed by all the Partners. | verify.
OR AUTHO. AGENTS

★ SECTION 58 :- Application for R.O.F FIRM → ANY TIME

★ It is optional in India & No penalty = As per IPA 1932

★ Application in prescribed form & prescribed fees
statement signed & verified by all the partners.

Content = Name. P.A.N.D. Du (Refer next sheet)

To Registrar of Firms (RoF) = Area in which {PoB} is there

Name of a Firm ≠ Refer list on next sheet e.g. Crown, Queen etc.

If you want to use take S.G. permission.

SECTION 59 :- After RoF is satisfied with prescribed form / fees / statement
& other details, will record an entry in Register = Issue CoR.

★ SECTION 59 :- Registration of FIRM

★ Refer previous sheet

★ COR means Certificate of Registration.

⇒ Effective date will be the date of delivery
& not the date when the entry in records is
made by RoF.

⇒ Because making an entry is a routine job for RoF.

ONCE Registered = After your name add: (Registered).

★ ★ SECTION 69 :- Consequences of Non-Registration

★ Disability or Disadvantages

① An URF or its co-partners cannot file a civil suit against any III party for any breach of contract.
(on behalf of the firm)

② A third party can Always sue an URF. (Firm) Always

③ No relief or set off available to URF or its partners

}	allowed
	upto Rs
	100 only

④ Aggrieved partner of an URF cannot bring legal action towards other partners or the Firm.

Always →

Exception: Partner can file a suit on DISS. of the firm for Asset realisation & A/c settlement



SEC 69 का Exception :- UNAFFECTED RIGHTS.

From REG. हो या URF = No effect on these points -



Basic Rights :-



(1) III party can always sue

(2) UNF / Partners = upto Rs. 100 set off ✓

(3) On dissolution of the Firm = (P) can sue = Yes ✓

(4) Power of official assignee on Insolvency [Insolvent partner
Property release]

(5) Power of LR on death

★ Case Study on Registration →



P. FIRM

→ III
Sue



Partner
(P.F. के behalf)

→ III
Sue

condⁿ?

①

Must be Registered

Person's name must

②

be in the Register as
PARTNER

TWO CASES :

(1) Death = Even if no fresh registration has been taken, the suit filed by surviving Partner is Maintainable

(2) Admission = If No Fresh Req. has been taken then Suit is Not Maintainable.

★ Dissolution of FIRM :- Sec. 40/41/42/43

★ Without the Court's order :-

★ (1) SEC. 40 :- Firm will be dissolved by an agreement b/w all the partners & with consent of all.

(2) Sec. 41 :- Refer Next sheet

(3) Sec. 42 :- 4 situation / contingencies, on happening Firm will be dissolved [Banner :- Sub. to the agree.]

⇒ Expiry of Fixed term ⇒ Completion of Biz / UT.

⇒ Death of a partner ⇒ Insolvency of a partner.

(4) Sec. 43 :- Dissolution of a Firm (@ WILL) By giving written notice to all P. date ✓ = from that ~~(X)~~ ^{जत} communi cate ✓
on notice date



SECTION 41 : Compulsory Dissolution →



Insolvency

All the Partners

5/5

Case-1

All but Except one

4/5

Case-2

Business

[illegal from legal
unlawful.]

ONE BIZ
only

one undertaking

eg: Chemical

Case-3

one or more
separate UT or
BIZ

eg: Chemical X
School bag ✓

Case-4

When all the partners are adjudicated as insolvent (1) or everyone except one partner (2) then firm will be compulsory dissolved.

When business or undertaking becomes illegal/unlawful due to happening on an event (3) exception (4) No impact on the legal undertaking if it can be separated

① ★ Dissolution by Court :- Section 44 :- IMPROVE

★ By Court (Suo motu) or on application by a partner.

★ (1) I = Insanity / unsound mind :- If an active partner permanently becomes unsound, then court may dissolve the firm. [Not Temporary sickness].

(2) O = Obselete / Permanent Incapacity :- When a partner becomes permanently physically incapable / illness etc.

(3) M = Misconduct :- When a partner is guilty of misconduct related to business or otherwise & such conduct has an adverse effect on the business of the firm.

★ ② Dissolution by Court :- Section 44 :- IMPROVE

★ By Court (Suo motu) or on application by a partner.

★ (4) (P) = Persistent breach of Agreement :- When a partner wilfully persistently / consistently commits breach of Con. Examples :- Embezzlement, erroneous accounts, cash holding beyond authority, Refuse to give accounts.

(5) (V) = Voluntary Transfer of Interest :- When a partner's interest in the firm is transferred to a III party or sold by the court to recover land revenue (taxes)

(6) (R) = Perpetual Repeated losses → If carried the Biz continuing :- then only losses will happen

(7) (E) = Just/Equitable ground

★ Just / Equitable grounds :-

★ (1) Deadlock in Mgt.

★ (2) Talking terms (X)

(3) Loss of Substratum (Substance)

(4) Stock market (Gambling)

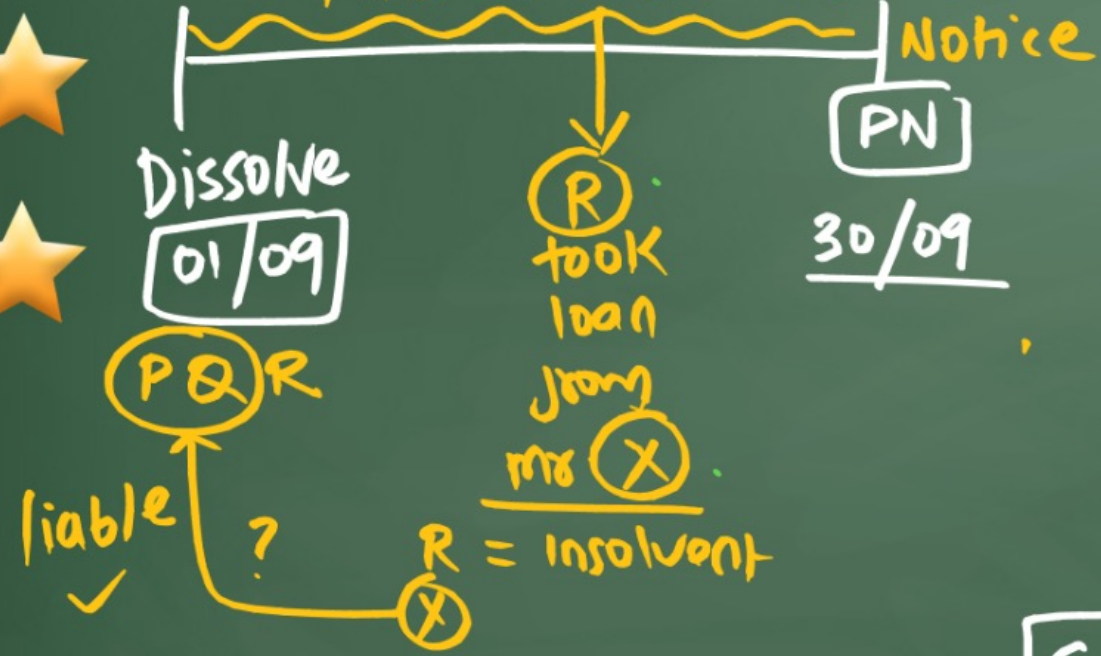


Timeline Sheet
for all 3 sections

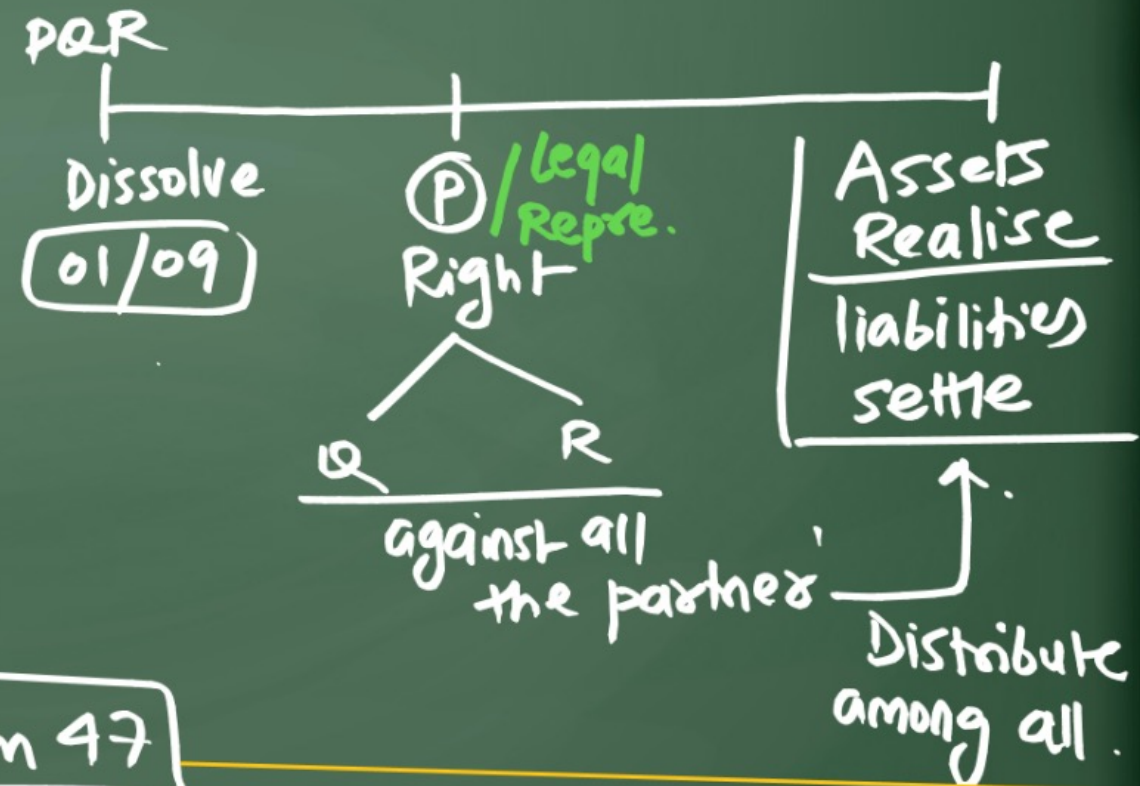
SECTION 45 :-



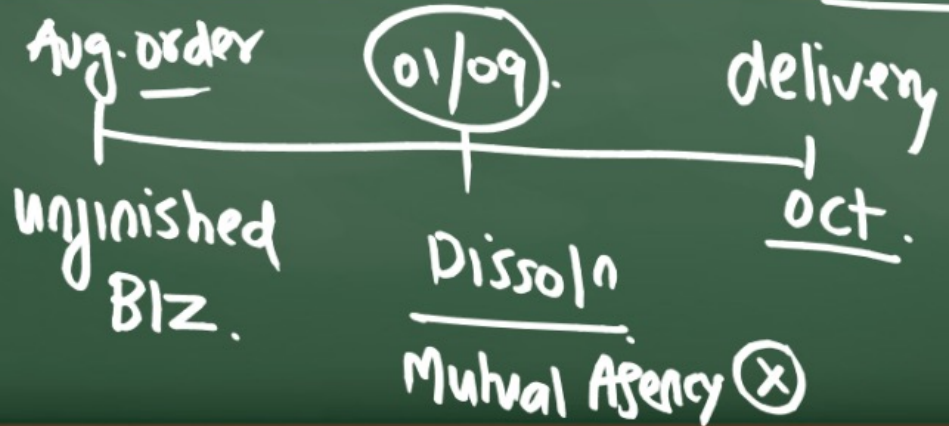
Firm is liable till Public Notice



SECTION 46 :-



Section 47



all partners' mutual rights & obligation means authority continue after Dissolⁿ for unfinished Biz

★ SECTION 45 :- Liability of FIRM for the acts of P.
after dissolution

★ - The objective of this provision is to protect 3rd

★ Party who is unaware of dissolution.

- Firm will be liable for the acts of partner done after dissolution until Public Notice is given.

- Exception :-

① Estate of deceased partner	} Not liable for the subsequent acts done after dissolution.
② Insolvent partner	
③ Dormant partner.	

EID



46 Right of partners to have business wound up after dissolution



Right

47

Continuing authority of partners for purposes of winding up

जो Authority, winding up के लिए ज़रूरी है वो rights and obligations रहेगी partners के पास

After the DISSOLUTION of a FIRM

After



Every partner's mutual rights and obligations

IP



Notwithstanding the dissolution

{ से फर्क नहीं पड़ता }

As far as necessary

जितना ही सके



To wind up the affairs of the firm

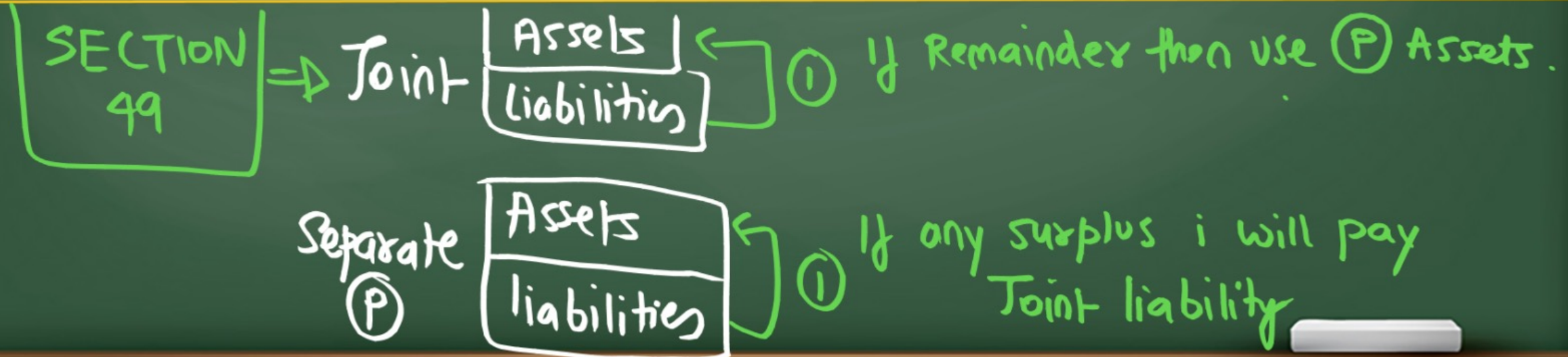
Will continue.

To complete transactions begun but unfinished at the time of the dissolution



Mutual Agency

- ★ SECTION 48 :-
- ★ Losses / deficiencies = ① Out of Profits
- ★ (Accumulated) = ② out of Capital (Reserves)
- ★ Assets (Goodwill) utilize ⇒ ③ Remainder = PSR = distribute
- ⇒ ① III debt ② Partner Advance ③ Partner Capital
- ④ Remainder distribute





Thank

You