CHAPTER VII REGISTRATION OF FIRMS

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56. Power to exempt from application of this Chapter

The State Government may, by notification in the Official Gazette, exclude the provisions of this Chapter from the whole or any part of the State.

> The State Government of any State, may, by notification in the Official Gazette, direct that the provisions of this Chapter shall not apply to that State or to any part thereof specified in the notification.

Section 56 of the Indian Partnership Act, 1932 opens Chapter VII (ss. 56 to 71), which deals with the registration of firms. Registration under the Act is not compulsory, but s. 69 penalises an unregistered firm: it cannot sue a third party to enforce a contract, and a partner cannot sue the firm or the other partners to enforce rights under the partnership agreement. Section 56 lets each State Government decide whether this registration scheme should operate in its territory. It may disapply the Chapter across the whole State or only in specified areas, such as remote, rural or tribal regions where

requiring firms to register would be impractical. The power must be exercised by notification in the Official Gazette, so the exemption is public and takes effect from a definite date. In an exempted area the Chapter has no effect: firms there need not register, the Registrar's machinery does not apply, and the disabilities under s. 69 do not attach. The rest of the Act, including the rights and duties of partners and the dissolution of firms, still applies in full. For example, suppose a State Government notifies that Chapter VII shall not apply to a particular hill district, where A and B run an unregistered firm that supplies goods to C, who then fails to pay. Ordinarily s. 69(2) would stop the firm from suing C because it is not registered. Because the Chapter has been excluded in that district, the firm can sue C for the price without registering. If the same firm did business in a part of the State not covered by the notification, it would have to register before bringing that suit.

57. Appointment of Registrars

57.1 The State Government shall appoint Registrars of Firms for the purposes of the Act and may define the areas within which each Registrar shall exercise powers and perform duties.

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

Section 57(1) of the Indian Partnership Act, 1932 gives the State Government the power to create the authority that runs the registration of firms under Chapter VII of the Act. Registering a firm is optional, but an unregistered firm and its partners face serious disabilities: they cannot sue third parties or each other to enforce rights arising from a contract (s. 69). That makes the Registrar's office important in practice. Under the Act, the Registrar receives and files the statement made when a firm applies for registration (s. 58), records an entry in the Register of Firms once satisfied that s. 58 has been complied with (s. 59), and records later changes, such as a change in the firm's name or place of business (s. 60), the opening or closing of branches (s. 61), a change in constitution or dissolution (s. 63), and corrections of mistakes (s. 64). The Registrar also keeps the Register and filed documents open to public inspection and issues certified copies (ss. 66 and 68). Because the power lies with each State, the State may

appoint one Registrar for the whole State or several Registrars, and may assign each one a territory, such as a district or a division. A firm then deals with the Registrar for the area where its place of business is located. For example, a State Government may notify one Registrar of Firms for the districts of one division and another Registrar for a second division. If X, Y and Z start a partnership with its principal place of business in a district of the first division, they must file their statement for registration with the Registrar appointed for that area. Only after that Registrar records the firm in the Register can the firm sue a defaulting customer on a contract without being barred by s. 69.

57.2 Every Registrar of Firms shall be deemed to be a public servant under section 21 of the Indian Penal Code.

> (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).

Section 57(2) then makes every Registrar of Firms a public servant by a legal fiction ("shall be deemed"). This is necessary because the Registrar performs public duties under Chapter VII of the Act. The Registrar receives statements for registration and registers firms (ss. 58 and 59), records changes in a firm's name, place of business, constitution and partners (ss. 60 to 63), rectifies mistakes in the register (s. 64), and keeps the register open to public inspection and grants certified copies (ss. 66 and 67). Courts, creditors and others dealing with firms rely on these entries, so the Act makes the Registrar fully subject to the criminal law that governs public servants. This works both ways. It makes the Registrar accountable, so a Registrar who takes a bribe for an official act or falsifies the register can be prosecuted for offences that only a public servant can commit, such as those under the Prevention of Corruption Act, 1988. It also protects the Registrar, so obstructing or assaulting the Registrar on official duty is an offence against a public servant, and prosecuting the Registrar for acts done in official duty may need prior government sanction. The IPC has since been replaced by the Bharatiya Nyaya Sanhita, 2023, which defines "public servant" in section 2(28). Under section 8 of the General Clauses Act, 1897, the reference to section 21 IPC is now read as a reference to that provision. For example, the partners of a firm submit their statement for registration under section 58, and the Registrar of Firms demands ₹10,000 before

registering the firm under section 59. Since the Registrar is deemed a public servant, he can be prosecuted for bribery under the Prevention of Corruption Act, 1988. In the reverse case, a partner who is unhappy with a rectification under section 64 forcibly stops the Registrar from working in his office. That partner commits the offence of obstructing a public servant in the discharge of public functions (s. 186 IPC, now s. 221 BNS).

58. Application for registration

58.1 A firm shall be registered by sending or delivering to the Registrar a statement of its prescribed particulars, with the prescribed fee, signed by all the partners.

> (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,-
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> (a) the firm name,
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> (b) the place or principal place of business of the firm,
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> (c) the names of any other places where the firm carries on business,
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> (d) the date when each partner joined the firm,
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> (e) the names in full and permanent addresses of the partners, and
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> (f) the duration of the firm.
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> The statement shall be signed by all the partners, or by their agents specially authorised in this behalf.

Section 58(1) of the Indian Partnership Act, 1932 sets out how a firm is registered. The application goes to the Registrar of Firms for the area where any place of business of the firm is, or is proposed to be, located, and it may be sent by post or delivered in person. It is a statement in the prescribed form, with the prescribed fee, giving the firm name, the place or principal place of business, the names of any other places where the firm carries on business, the date on which each partner joined, the full names and permanent addresses of all partners, and the duration of the firm. All the partners must sign the statement, or their agents specially authorised for that purpose may sign for them, and under s. 58(2) each person who signs must also verify it in the prescribed manner. The words “at any time” mean that

registration is optional and can be done when the firm is formed or at any later stage. Under the Central Act, a firm is not penalised just for staying unregistered. However, s. 69 bars an unregistered firm, or its partners, from suing third parties or each other to enforce contractual rights, so registration must exist before such a suit is filed, and registering afterwards does not cure the defect. Once the Registrar is satisfied that s. 58 has been complied with, the statement is recorded in the Register of Firms and filed (s. 59). For example, A, B and C start a partnership called "Ganga Traders" with its principal office in Patna and a branch in Gaya, agreeing to run it for five years. To register, they fill in the prescribed form with all six particulars, sign and verify it, and deliver it with the fee to the Registrar of Firms having jurisdiction over Patna or Gaya. If C is abroad, an agent specially authorised by C may sign for him, but a statement signed by A and B alone would not satisfy s. 58. If the firm stays unregistered and a customer later fails to pay ₹2 lakh for goods supplied, s. 69(2) would bar Ganga Traders from suing the customer to recover the money.

58.2 Every person who signs the statement for registration of a firm shall verify it in the prescribed manner.

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

Section 58(2) of the Indian Partnership Act, 1932 adds a safeguard to the registration procedure in s. 58(1). Under s. 58(1), a firm is registered by sending or delivering to the Registrar of Firms a statement in the prescribed form, with the prescribed fee. The statement gives the firm name, its principal and other places of business, the date each partner joined, the partners' full names and permanent addresses, and the duration of the firm, and it must be signed by all the partners or by their specially authorised agents. Sub-section (2) requires each person who signs the statement to also verify it. This means formally declaring that the particulars are true and correct to the best of their knowledge and belief. "Prescribed" means prescribed by rules made by the State Government under s. 71, so the exact form of the verification is set out in each State's partnership rules. Verification makes every signatory personally answerable for the accuracy of the statement. The Registrar relies on the verified statement when recording the firm in the Register of Firms under s. 59. The particulars

recorded there are conclusive proof of the facts stated against the person who signed or verified them (s. 68(1)). Anyone who signs a statement containing a particular they know or believe to be false, or do not believe to be true, may be punished with imprisonment of up to three months, a fine, or both (s. 70). For example, X, Y and Z form a partnership firm, "XYZ Traders", in Patna and want to register it. They fill in the statement in the prescribed form, and all three sign it. Below their signatures, each of them must also sign the verification clause in the form the Bihar rules prescribe, declaring that the contents are true. If Z signs the statement but does not sign the verification, the application does not comply with s. 58, and the Registrar may refuse to register the firm until it is corrected. If the verified statement wrongly records the date on which Y joined the firm, and X knew it was wrong when he signed, X can be held liable under s. 70. The recorded entry will also be conclusive evidence against X under s. 68.

58.3 A firm name shall not contain the words "Crown", "Emperor", "Empress", "Empire", "Imperial", "King", "Queen" or "Royal", or any word implying Government sanction, approval or patronage, without the written consent of the State Government.

> (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 Government, except when the State Government signifies its consent to the use of such words as part of the firm name by order in writing.

Section 58(3) of the Indian Partnership Act, 1932 limits what partners can call their firm when they apply to the Registrar of Firms for registration under s. 58(1). It bars two kinds of words. The first is a fixed list of words linked with the Crown and monarchy, such as "Royal" or "Imperial". The second is a general category: any word that expresses or implies that the Government has sanctioned, approved or patronised the business, such as "Government", "National", "State" or "Official", where the word is used in that sense. The aim is to protect the public. Such words can make customers, creditors and suppliers believe that the firm has official standing, Government backing or extra reliability that it does not actually have. The bar is not absolute. A firm may still use such a word if the State Government consents to it, but the consent must be given by an order in writing, so oral permission or assumed approval is not enough. Without that

order, a firm whose name contains a prohibited word does not meet the requirements of s. 58, and the Registrar can refuse to register it under that name until the name is changed. For example, partners X and Y apply to register their catering business as “Royal Caterers” and their supply business as “Government Approved Suppliers”. Both names break s. 58(3): the first uses the listed word “Royal”, and the second implies Government approval. The Registrar will not register either name as it stands. The partners can choose names without these words, such as “X & Y Caterers”, or ask the State Government for a written order allowing the word. If the State Government issues that order, the firm can then be registered under the name that includes it.

59. Registration

On being satisfied that section 58 has been complied with, the Registrar shall record the statement in the Register of Firms and file it.

> 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.

Section 59 of the Indian Partnership Act, 1932 sets out the final step in registering a firm. Under s. 58, the partners apply by sending the Registrar a statement in the prescribed form, with the prescribed fee. The statement gives the firm’s name, its principal place of business, any other places where it carries on business, the date each partner joined, the partners’ full names and permanent addresses, and the duration of the firm. It must be signed and verified by all the partners or their authorised agents. Under s. 59, the Registrar checks whether these requirements are met. If they are, the Registrar records an entry of the statement in the Register of Firms and files the statement, and the firm then stands registered. The Registrar’s role is largely ministerial: the Registrar checks that the statement is complete and properly signed, verified and paid for, but does not inquire into the merits of the partnership. If the statement is defective, for example because a partner has not signed it or a required particular is missing, the Registrar should not register it until the defect is cured. Registration matters because the entries in the Register are conclusive proof of the recorded facts against any partner who signed the statement (s. 68(1)). It also matters because an unregistered firm and its partners cannot sue third parties, or each other, to enforce rights

arising from a contract (s. 69). For example, A, B and C start a partnership called “ABC Traders” and send the Registrar of Firms the prescribed statement with the fee. The statement is signed and verified by all three and gives every particular required by s. 58. The Registrar is satisfied, enters the statement in the Register of Firms and files it, and “ABC Traders” becomes a registered firm. It can then sue a customer for unpaid dues, and C cannot later deny being a partner. If C had not signed the statement, the Registrar could not register the firm until the defect was corrected. If the firm then sued the customer while still unregistered, the suit would be barred by s. 69(2).

60. Recording of alterations in firm name and principal place of business

60.1 When a registered firm alters its name or the location of its principal place of business, a statement of the alteration may be sent to the Registrar with the prescribed fee, signed and verified in the manner required under section 58.

> (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 58.

Section 60(1) of the Indian Partnership Act, 1932 provides a way for a registered firm to keep its entry in the Register of Firms accurate when either of two particulars recorded at registration changes: the firm name, or the location of its principal place of business (both recorded under s. 58(1)). The firm records the change by sending the Registrar a statement that specifies the alteration and is accompanied by the prescribed fee. The statement must be signed and verified in the same way as the original registration statement, that is, signed by all the partners or their agents specially authorised for the purpose and verified in the prescribed manner. Under s. 60(2), the Registrar, once satisfied that the requirements have been met, amends the firm’s entry in the Register accordingly. The Central Act uses the word “may”, so recording is not compulsory under it, but it matters in practice because the Register is the public record of the firm’s identity, false particulars in a signed or verified statement attract penalty under s. 70, and some states have amended the provision to make filing compulsory

within a fixed period. For example, “Sharma Traders”, registered with its principal place of business at Boring Road, Patna, changes its name to “Sharma & Sons Enterprises” and shifts to Kankarbagh, Patna. All the partners sign and verify a statement recording the new name and address and send it to the Registrar of Firms, Bihar, with the prescribed fee. The Registrar, being satisfied, amends the firm’s entry, so the Register now shows the firm’s correct name and principal place of business to anyone who inspects it.

60.2 On being satisfied that sub-section (1) has been complied with, the Registrar shall amend the firm’s entry in the Register of Firms to match the statement and file the statement with the firm’s earlier registration statement.

> (2) When the Registrar is satisfied that the provisions of subsection (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 59.

Section 60(2) of the Indian Partnership Act, 1932 sets out what the Registrar must do after a registered firm reports a change in its firm name or in the location of its principal place of business. Under s. 60(1), the firm may send the Registrar a statement describing the alteration. It must come with the prescribed fee and be signed and verified as s. 58 requires, which means by all the partners or their authorised agents. The Registrar’s role is limited to checking those formalities. He does not judge whether the change is wise. Once he is satisfied that they have been met, he is bound to amend the existing entry (“shall amend”). He then files the new statement alongside the original statement that was filed under s. 59 when the firm was first registered. This keeps the Register of Firms up to date and keeps the firm’s whole record in one place, so anyone inspecting it under s. 66 can see both the original particulars and every later change. Keeping the register accurate also matters to the firm, because s. 68 makes statements recorded there conclusive proof of the facts they state against any partner who signed them. For example, a registered firm called “Sharma & Co.”, with its principal place of business at Boring Road, Patna, changes its name to “Sharma Traders” and moves its office to Fraser Road, Patna. All the partners sign and verify a statement of these changes and send it to the Registrar with the prescribed fee. Once the Registrar is satisfied that the statement is in order,

he must change the firm's entry in the Register to show the new name and address, and file the statement with the firm's original registration papers. If the partners had not signed it properly, or the fee had not been paid, the Registrar would not be satisfied that s. 60(1) had been complied with, and the entry would not be amended.

61. Noting of closing and opening of branches

When a registered firm opens or closes a branch, any partner or agent may intimate the Registrar, who shall note the intimation in the Register of Firms and file it with the firm's statement.

> 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 59.

Section 61 of the Indian Partnership Act, 1932 keeps the Register of Firms up to date about the places where a registered firm does business, apart from its principal place of business. When a firm is registered, the statement filed under s. 58 must give the principal place of business and the names of any other places where the firm carries on business. The Registrar records these details in the Register of Firms and files the statement (s. 59). Firms often open new branches or close existing ones later, and s. 61 sets out a simple way to record these changes. Any partner or agent of the firm may send an intimation to the Registrar. The Registrar must then note it in the firm's entry in the Register and file it with the original statement under s. 59. The provision applies only to registered firms and only to places other than the principal place of business. A change in the principal place of business, or in the firm's name, falls under s. 60, which requires a formal statement rather than a simple intimation. The section uses the word "may", so under the central Act sending the intimation is permissive rather than compulsory. Even so, recording the change is useful because the Register is a public record that others can inspect (s. 66), and it gives third parties an accurate picture of where the firm operates. For example, M/s Ahmad & Sons is a registered firm with its principal place of business in Patna and a branch in

Gaya. It opens a new branch in Muzaffarpur and later closes the Gaya branch. Any partner, or the firm's authorised agent, may write to the Registrar about both changes. The Registrar will then note in the firm's entry that business is now carried on at Muzaffarpur and has stopped at Gaya, and will file the letter with the firm's original registration statement. If the firm instead moved its head office from Patna to Ranchi, s. 61 would not apply, and a statement under s. 60 would be needed.

62. Noting in changes in names and addresses of partners

When a partner in a registered firm changes his name or permanent address, any partner or agent of the firm may inform the Registrar, and the Registrar shall record the change.

> 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.

Section 62 of the Indian Partnership Act, 1932 keeps the Register of Firms up to date when a partner's personal details change. The statement filed at registration must give the full names and permanent addresses of the partners (s. 58(1)), so a later change in either would leave the Register inaccurate. The duty to send the intimation does not fall only on the partner concerned: any partner, or an agent of the firm, may send it. The word "may" makes sending the intimation optional, and failing to send it carries no penalty. On receiving it, the Registrar deals with it in the manner provided in s. 61: he records the intimation in the entry relating to the firm in the Register of Firms and files it along with the statement filed under s. 59. Even though it is optional, sending the intimation is advisable. Entries in the Register are conclusive proof of the facts stated in them against the person who signed them (s. 68(1)). Under s. 69(2), a suit by a firm against a third party can be brought only if the persons suing are, or have been, shown in the Register as partners, so a partner whose recorded particulars no longer match may face avoidable disputes over his identity. For example, X, Y and Z are partners in a registered firm, "XYZ Traders", and the Register shows Y's permanent address as Patna. Y moves permanently to Kolkata, and Y also changes his name from "Yusuf Ali" to "Yusuf Ali Khan". Any of X, Y, Z, or the firm's manager acting as its agent, may send an intimation of both changes to the Registrar. The Registrar will then note the new name and

address in the firm's entry in the Register and file the intimation with the firm's original registration statement, so that anyone inspecting the Register sees Y's current particulars.

63. Recording of changes in and dissolution of a firm

63.1 When a registered firm changes its constitution or is dissolved, the Registrar shall be notified of the change or dissolution, and the Registrar shall record it in the Register of Firms.

> (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.

Section 63(1) of the Indian Partnership Act, 1932 keeps the Register of Firms accurate after a firm has been registered. A firm's constitution changes when a partner joins, retires, is expelled or dies. When that happens, any incoming, continuing or outgoing partner, or an agent specially authorised by such a partner, may notify the Registrar of the change and the date it took effect. When the firm is dissolved, any person who was a partner immediately before the dissolution, or that person's authorised agent, may notify the Registrar of the dissolution and its date. On receiving the notice, the Registrar must record it in the firm's entry in the Register and file it with the statement originally filed for registration under s. 59. The section only says these persons "may" give notice, but failing to do so has serious consequences. For a registered firm, notice to the Registrar under s. 63 is a required part of "public notice" under s. 72, along with publication in the Official Gazette and in at least one vernacular newspaper. Until public notice is given, a retiring partner stays liable to third parties for the firm's later acts (s. 32(3)), and the partners stay liable for acts done after dissolution (s. 45). An outdated register can also bar suits, since under s. 69 a suit by the firm can proceed only if the persons suing are shown in the Register as partners. For example, A, B and C run a registered firm, "ABC Traders". C retires on 1 April 2026 and D joins in his place. Any of A, B, C or D may notify the Registrar of these changes with their dates, and the

Registrar must then note them in the firm's entry. Suppose C gives no notice and the change is never published, and in June 2026 a supplier who did not know of C's retirement sells goods to the firm on credit. C may be held liable for that debt. Likewise, if the firm sues a defaulting customer while D is not yet shown in the Register as a partner, s. 69(2) may bar the suit.

63.2 On attaining majority, a person admitted to the benefits of partnership in a registered firm may notify the Registrar of his election to become or not to become a partner, and the Registrar shall record it.

> (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).

Section 63(2) of the Indian Partnership Act, 1932 deals with a minor who was admitted to the benefits of partnership under s. 30 and who, on coming of age, must decide whether to become a full partner. Under s. 30(5), he must give public notice of his decision within six months of attaining majority, or of first learning that he was admitted to the benefits, whichever is later. If he gives no notice in time, he becomes a partner automatically. Where the firm is registered, s. 63(2) lets the person himself, or an agent specially authorised for this purpose, send a notice of that decision to the Registrar of Firms. The Registrar then handles it as he handles notices of other changes under s. 63(1): he records it in the Register of Firms and files it with the firm's statement. This notice matters because, under s. 72(a), a public notice of such an election for a registered firm is given by notice to the Registrar under s. 63 together with publication in the Official Gazette and in at least one vernacular newspaper circulating in the district. The election also has real consequences. If he becomes a partner, he is personally liable to third parties for all acts of the firm since he was first admitted to its benefits (s. 30(7)). If he declines, his rights and liabilities stay those of a minor up to the date of the public notice, and his share is not liable for the firm's acts done after that date (s. 30(8)). For example, R was admitted as a minor to the benefits of M/s Kumar Traders, a registered firm, and turns 18 on 1 March 2026. He does not want to share in the firm's liabilities, so on 15 April 2026 he signs a notice that he has elected not to

become a partner. He sends it to the Registrar of Firms and also publishes it in the Official Gazette and a local Hindi newspaper. The Registrar records the notice in the Register of Firms. R has acted within six months, so he does not become a partner, and creditors of the firm cannot hold him personally liable for its later debts. If R had sent no notice before 1 September 2026, he would have become a partner by operation of s. 30(5). He would then be personally liable for all the firm's debts, including those incurred since he was first admitted to its benefits.

64. Rectification of mistakes

The Registrar shall rectify any mistake in the Register of Firms so that its entry for a firm agrees with the documents that firm has filed.

> (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.

Section 64(1) of the Indian Partnership Act, 1932 gives the Registrar of Firms a continuing power to correct errors in the Register of Firms. The Register is built from documents that firms file under Chapter VII. These are the statement for registration (s. 58) and the later intimations of changes in the firm's name or principal place of business (s. 60), the opening or closing of branches (s. 61), partners' names and addresses (s. 62), and changes in the firm's constitution or its dissolution (s. 63). The documents are the authoritative record, and the Register is meant to reflect them exactly. If the Register differs from them, for example because of a clerical slip in copying, the Registrar may correct it. The words "at all times" mean there is no time limit, and the Registrar may act on his own motion without anyone applying. The power is narrow, though. The Registrar can only bring the Register into line with documents already filed. He cannot change an entry on the basis of outside evidence, decide disputes between partners, or correct a mistake in the filed document itself. Correcting a filed document falls under s. 64(2), which needs an application from all the persons who signed it. For example, a firm, M/s Patliputra Traders, files a statement under s. 58 naming its partners as Anil Kumar, Ravi Shankar and Farhan Ali, with its principal place of business at Fraser Road, Patna. When making the entry, the Registrar's office records one partner as "Farhan Alam" and the address as "Frazer Lane". Since the Register no longer matches the filed

statement, the Registrar may correct both entries under s. 64(1), even years later and without any request from the firm. But suppose the statement itself had wrongly given the address as “Frazer Lane”. Then the Register correctly reflects the document, and s. 64(1) does not apply. The firm would have to apply under s. 64(2), signed by all the partners who signed the statement, or file a fresh intimation under s. 60.

64.2 On application by all the parties who signed a document relating to a firm, the Registrar may rectify any mistake in that document or in its record or note in the Register of Firms.

> (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.

Section 64(2) of the Indian Partnership Act, 1932 belongs to Chapter VII, which deals with registration of firms. Under that Chapter, partners file various documents with the Registrar: the statement for registration (s. 58), and later intimations of changes in the firm name, place of business or partners’ addresses (s. 60), changes in constitution (s. 62), dissolution (s. 63(1)), or a minor’s election on attaining majority (s. 63(2)). Under s. 64(1), the Registrar can on his own correct entries in the Register so that they match the documents filed. Section 64(2) goes further: it allows a mistake in the document itself to be corrected, and also a mistake in how the Registrar recorded or noted it. Because a correction to the document changes what the parties themselves declared, the power can be used only when every person who signed that document applies for it. No single partner can have the record changed alone. The power is also discretionary (“may”), so the Registrar may refuse if the request is not a real mistake but a disguised change, such as adding a new partner. That kind of change must instead be reported under ss. 60 to 63. Accurate entries matter because the Register is conclusive proof of the facts stated in it against any signatory (s. 68(1)), and because a firm’s right to sue depends on registration and on the persons suing being shown in the Register as partners (s. 69). For example, A, B and C register their firm, and their signed statement under s. 58 wrongly gives B’s name as “Rakesh Kumar” instead of “Ramesh Kumar” and states the firm’s starting date as 2021 instead of 2012. If A, B and C all sign and file an application, the Registrar may correct both errors in the statement and in

the Register. If only B applies, the Registrar cannot correct the statement under s. 64(2). If the statement was correct but the Registrar's office copied B's name wrongly into the Register, the Registrar can correct the entry under s. 64(1) without any application. Similarly, if A, B and C wish to add D as a partner, that is a change in constitution, not a mistake. It must be notified under s. 62 and cannot be done through rectification.

65. Amendment of Register by order of Court

The Registrar shall amend the entry in the Register of Firms as directed by a court, so that it is consistent with the court's decision about the registered firm.

> 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.

Section 65 of the Indian Partnership Act, 1932 deals with registered firms, whose particulars (firm name, place of business, names and addresses of partners, dates of joining, duration) are recorded in the Register of Firms under ss. 58 and 59. Ordinarily the entry changes only when the partners themselves report a change (s. 63) or ask for a mistake to be corrected (s. 64). Section 65 adds a second route. When a court decides any matter concerning a registered firm, it may direct the Registrar to make whatever change in the firm's entry follows from that decision, and the Registrar must carry out the direction. The Registrar has no discretion here: he is not deciding the dispute, only recording its outcome. The court's power covers only amendments that are *consequential* on its decision, meaning changes needed to bring the register into line with what the court has decided, and not unrelated alterations. The provision matters because the register is relied on by outsiders, and under s. 68(1) statements in it are conclusive proof against any partner who signed them. A register left uncorrected after a judgment could therefore mislead third parties and keep binding a person the court has already freed from the firm. For example, a registered firm "Gupta Traders" shows A, B and C as partners. C claims he retired two years ago, but A and B never told the Registrar, and a creditor now sues C for the firm's later debts. The civil court finds that C validly retired on a particular date and directs the Registrar to record his retirement from that

date. The Registrar must amend the entry as directed. From then on the register no longer shows C as a partner, so outsiders dealing with the firm are on notice of his retirement. In the same way, if a court passes a decree dissolving the firm under s. 44, it may direct that the dissolution be entered in the register.

66. Inspection of Register and filed documents

66.1 The Register of Firms shall be open to inspection by any person on payment of the prescribed fee.

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

Section 66(1) of the Indian Partnership Act, 1932 makes the Register of Firms, kept by the Registrar under s. 59, a public record. Any person may inspect it, whether or not they have a connection with the firm. They need not show any interest or give a reason, and their only obligation is to pay the fee prescribed under the State Government's rules (s. 71). The purpose is to protect people who deal with firms. The Register records the firm's name, its principal place of business, the names and addresses of its partners, the dates they joined, and the firm's duration (s. 58), along with later changes notified under ss. 60 to 63. Inspecting it tells an outsider whether the firm is registered and who its partners are. Under s. 69, an unregistered firm cannot sue third parties to enforce contractual rights, and under s. 68(1), the entries are conclusive proof against the person who signed them. Section 66(2) gives the same right of inspection over the statements, notices and intimations filed with the Registrar, and s. 67 lets any person obtain certified copies. For example, T, a supplier, is asked to supply goods worth ₹10 lakh on credit to "M/s Sharma Traders". Before agreeing, T pays the fee and inspects the Register, which shows that the firm is registered and that A, B and C are its partners. T can now extend credit knowing that A, B and C are personally liable if the firm does not pay. If A later denies being a partner, the entry he signed is conclusive proof against him. Had the Register shown that the firm was not registered, T would know the firm could not sue him to enforce the contract.

66.2 All statements, notices and intimations filed under Chapter VII shall be open to inspection, subject to the prescribed conditions and fee.

(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.

Section 66(2) of the Indian Partnership Act, 1932, which falls in Chapter VII on the registration of firms, extends public access beyond the Register of Firms itself (opened to inspection by s. 66(1)) to the underlying documents filed with the Registrar. These are the statement filed to apply for registration under s. 58, which sets out the firm's name, principal place of business, other places of business, the partners' names and addresses, the dates they joined and the firm's duration; statements of later changes in the firm's name or principal place of business under s. 60; intimations about opening or closing branches under s. 61; intimations of changes in partners' names or permanent addresses under s. 62; and notices of changes in the firm's constitution, of its dissolution, and of a minor partner's election on attaining majority under s. 63. The register contains only the Registrar's entries, while the filed documents are the original material signed and verified by the partners, so inspecting them lets the public confirm the exact particulars and see who supplied them. This serves the main purpose of registration, which is to let outsiders dealing with a firm find out reliably who its partners are. That matters because a partner who retires without giving public notice can remain liable to third parties for the firm's later acts (s. 32(3)). The right is not unconditional, since inspection is allowed only on the conditions and payment of the fee prescribed by rules the State Government makes under s. 71. For example, T, a supplier, is asked to give goods worth ₹10 lakh on credit to M/s Sharma Traders. Before agreeing, T applies to the Registrar of Firms, pays the prescribed fee, and inspects the firm's original s. 58 statement together with any notices filed under s. 63. T finds that partner U filed a notice of retirement last year, so U cannot be held liable for the new debt, and T can ask the remaining partners for extra security before extending credit.

67. Grant of copies

The Registrar shall, on application and payment of the prescribed fee, furnish to any person a certified copy of any entry or part of an entry in the Register of Firms.

> 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.

Section 67 of the Indian Partnership Act, 1932 sits within Chapter VII, which deals with the registration of firms. Section 66 makes the Register of Firms open to inspection by the public, and s. 67 adds the right to obtain a certified copy of it. The right is available to "any person". The applicant does not need to be a partner, creditor or other interested party, and does not need to give a reason. The Registrar's duty is mandatory ("shall furnish"), and it arises on two conditions: an application, and payment of the fee that the State Government prescribes under its rule-making power (s. 71). The copy may cover a whole entry or only part of it, and the Registrar must certify it under his own hand. That certification gives the copy its legal value. Under s. 68(2), a certified copy of an entry relating to a firm can be produced to prove that the firm is registered and to prove the contents of any statement, intimation or notice recorded or filed by it. A person dealing with a firm therefore does not need to summon the original register. This matters in practice because registration affects a firm's right to sue (s. 69), and outsiders often need to confirm who the firm's partners are. For example, T supplies goods worth ₹10 lakh on credit to "M/s Sharma Traders". The firm defaults, and T wants to sue the firm and every person who was a partner when the debt arose. T applies to the Registrar of Firms and pays the prescribed fee. The Registrar must then issue a certified copy of the firm's entry, which shows its registration, principal place of business and the names of its partners. T can produce that copy in court under s. 68(2) as proof of those facts. If the firm in turn sued T, T could use a certified copy to show whether the firm was registered and whether the person suing appeared in the register as a partner, which is relevant to the bar under s. 69(2).

68. Rules of evidence

68.1 A statement, intimation or notice recorded in the Register of Firms shall be conclusive proof of the facts stated in it against the person who signed it, or on whose behalf it was signed.

> (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.

Section 68(1) of the Indian Partnership Act, 1932 gives special evidentiary force to entries in the Register of Firms kept by the Registrar. These entries come from documents filed by the partners: the statement for registration (s. 58), and later intimations and notices about changes in the firm's name or place of business (s. 60), the closing and opening of branches (s. 61), changes in partners' names and addresses (s. 62), and changes in the firm's constitution or its dissolution (s. 63). Once such a statement is recorded, the person who signed it, or on whose behalf it was signed, cannot later deny the facts in it. "Conclusive proof" means the law treats the fact as proved and allows no evidence to disprove it (Indian Evidence Act, 1872, s. 4, now Bharatiya Sakshya Adhiniyam, 2023, s. 2(1)(b)). The rule works like an estoppel: a partner who has formally told the public through the Register that certain facts are true is bound by them, so third parties can safely rely on the Register. The provision has two limits. It binds only the signatory or the person on whose behalf the document was signed, and against anyone else the entry is ordinary evidence that can be rebutted. It also covers only the facts actually stated in the recorded document. Under s. 68(2), an entry can be proved by producing a copy certified by the Registrar. For example, A, B and C sign and file a statement under s. 58 registering "ABC Traders", which names all three as partners. Later, a supplier sues the firm and A personally for unpaid dues, and A argues that he was only a lender to the business, not a partner. The recorded statement A signed is conclusive proof against him that he was a partner, so he cannot lead evidence to deny it. Now suppose the Register wrongly shows D as a partner because of an entry made on someone else's intimation, and D never signed any statement. That entry is not conclusive against D, and he may prove that he was never a partner.

68.2 A certified copy of an entry in the Register of Firms shall be admissible to prove that the firm is registered and to prove the contents of any statement, intimation or notice recorded or noted in the Register.

> (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.

Section 68(2) of the Indian Partnership Act, 1932 sets out a simple way to prove a firm's registration and the particulars filed with the Registrar of Firms. A firm is registered when the Registrar records its statement and enters it in the Register of Firms (ss. 58 and 59). Later changes, such as in the firm's name, principal place of business, partners or their addresses, or the dissolution of the firm, are recorded through intimations and notices (ss. 60 to 63). Because the Register is kept in a public office, a party does not have to produce the original Register or summon the Registrar to court. Under s. 66, anyone may obtain a certified copy of an entry on payment of the prescribed fee, and s. 68(2) makes that copy enough to prove two things: that the firm is registered, and what the recorded statement, intimation or notice says. Proving registration often matters in practice, because s. 69 bars an unregistered firm, or a partner of one, from enforcing certain contractual rights by suit. Sub-section (2) works together with s. 68(1), under which a recorded statement, intimation or notice is conclusive proof of the facts it states against the person who signed it or on whose behalf it was signed. For example, M/s Sharma Traders sues a customer, X, to recover the price of goods supplied, and X objects that the suit is barred under s. 69 because the firm is not registered. The firm can answer by filing a certified copy of its entry in the Register of Firms, which proves that it is registered. Similarly, suppose the copy shows a notice recording that partner Y retired from the firm on 1 April 2025. That copy proves the notice and its contents. Under s. 68(1), it is also conclusive against Y, who signed the notice, so Y cannot later deny the retirement date recorded there.

69. Effect of non-registration

69.1 No partner of a firm shall sue the firm or any of its partners to enforce a right arising from a contract or conferred by the Partnership Act unless the firm is registered and the person suing is shown in the Register of Firms as a partner.

> (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.

Section 69(1) of the Indian Partnership Act, 1932 deals with suits between partners. Registering a firm is not compulsory under the Act, so the Act encourages registration by taking away certain rights from unregistered firms and their partners. Under this provision, a person suing as a partner cannot bring a suit against the firm, or against anyone who is or was a partner in it, unless the firm is registered and the plaintiff is or has been shown in the Register of Firms as a partner. Both conditions must be met. The bar covers rights arising from a contract, such as the partnership deed, and rights conferred by the Act itself, such as the right to share in profits or to have access to the firm's books (s. 12). It does not cover rights from other sources, such as a claim in tort. Because the bar is on instituting the suit, the conditions must be satisfied on the date the suit is filed, and registering the firm afterwards does not save a suit filed while it was unregistered (*Loonkaran Sethia v. Ivan E. John*, AIR 1977 SC 336). The bar is also subject to the exceptions in s. 69(3), which still allow a partner to sue to dissolve the firm, to obtain accounts of a dissolved firm, or to realise the property of a dissolved firm. For example, A, B and C carry on business as partners under a written deed, but the firm is not registered. A claims that B and C have refused him his agreed one-third share of the year's profits and denied him access to the account books, so he sues the firm and B and C. The suit is barred by s. 69(1), and registering the firm after filing would not cure the defect. The result would be the same if the firm were registered but A's name had never been entered in the Register as a partner. A could, however, still sue for dissolution of the firm and for accounts, because s. 69(3) permits that despite non-registration.

69.2 An unregistered firm shall not sue a third party to enforce a right arising from a contract.

> (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.

Section 69(2) of the Indian Partnership Act, 1932 sets out the main consequence of not registering a firm. Registration is not compulsory, and non-registration does not extinguish the firm's contractual rights or make its contracts void. What it does is bar the firm from bringing the specified suit to enforce those rights. Before a firm, or anyone on its behalf, can institute a

suit against a third party on a right arising from a contract, two conditions must both be met: the firm must be registered with the Registrar of Firms, and the persons suing must be, or must have been, shown in the Register of Firms as partners of the firm. The bar applies at the moment the suit is instituted. A firm that files while unregistered cannot cure the defect by registering while the suit is pending; such a suit is not maintainable, although a fresh suit may be filed after registration if it is still within limitation (*Shreeram Finance Corporation v. Yasin Khan*, (1989) 3 SCC 476). The bar covers only rights "arising from a contract", so it does not stop a firm from enforcing statutory or common-law rights. For instance, a suit for passing off or trademark infringement by an unregistered firm is not barred (*Haldiram Bhujiawala v. Anand Kumar Deepak Kumar*, (2000) 3 SCC 250). Section 69(3) extends the bar beyond suits to claims of set-off and other proceedings to enforce a contractual right. It preserves two things: the right to sue for dissolution of a firm, for accounts of a dissolved firm, or to realise the property of a dissolved firm; and the powers of an official assignee, receiver or court under the insolvency Acts to realise the property of an insolvent partner. Section 69(4) then takes certain cases outside the section altogether. Under s. 69(4)(a), these are firms with no place of business in the territories to which the Act extends, or whose places of business are in areas where Chapter VII has been excluded by notification under s. 56. Under s. 69(4)(b), these are suits or claims of set-off not exceeding ₹100 in value, together with proceedings in execution or incidental to them, provided they are not of a kind excluded from Small Cause Court jurisdiction: s. 19 of the Presidency Small Cause Courts Act, 1882 within the Presidency towns, or the Second Schedule to the Provincial Small Cause Courts Act, 1887 elsewhere. For example, M/s Sharma Traders, an unregistered partnership of A and B, supplies goods worth ₹5 lakh to C, who fails to pay. The firm's right to the price still exists, but it cannot sue C to enforce it, and if C sues the firm on another contract, the firm cannot raise the unpaid price as a set-off. If it registers only after filing the suit, the suit still fails. Its proper course is to register first, with A and B shown as partners, and then file a fresh suit within limitation. If C were instead selling counterfeit goods under the firm's trade name, a passing-off suit against C would not be barred, because that right does not arise from a contract.

69.3 The bar against enforcing contractual rights in the case of an unregistered firm shall extend to claims of set-off and other proceedings, but shall not affect proceedings for dissolution, accounts or realisation of the property of a dissolved firm, or the powers of insolvency authorities to realise the property of an insolvent partner.

> (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.

Section 69(3) of the Indian Partnership Act, 1932 widens the bar created by sub-sections (1) and (2). Under s. 69(1), a partner of an unregistered firm cannot sue the firm or a co-partner to enforce a right arising from a contract or conferred by the Act. Under s. 69(2), an unregistered firm cannot sue a third party to enforce a right arising from a contract. Sub-section (3) stops the firm or its partners from getting round these bars. They cannot raise the same contractual claim as a set-off when they are sued, and they cannot bring it through any "other proceeding". The Supreme Court has read "other proceeding" broadly. In *Jagdish Chander Gupta v. Kajaria Traders* (1964), it held that the phrase covers a court application to appoint an arbitrator under s. 8(2) of the Arbitration Act, 1940. But in *Umesh Goel v. H.P. Cooperative Group Housing Society* (2016), it held that arbitral proceedings under the Arbitration and Conciliation Act, 1996, and the resulting award, fall outside s. 69(3). The provision makes two exceptions. Clause (a) protects the right to sue for dissolution of the firm, for accounts of a dissolved firm, and to realise the property of a dissolved firm, so that partners are not trapped in an unregistered firm with no way to end it and settle their shares. Clause (b) preserves the power 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, so that his creditors are not defeated by the firm's non-registration. Section 243 of the Insolvency and Bankruptcy Code, 2016 provides for

repealing both Acts, but it has not been brought into force. The two Acts therefore still govern the insolvency of individual partners, and clause (b) continues to operate through them. One exception is a partner who is a personal guarantor to a corporate debtor. Part III of the Code was brought into force for that class from 1 December 2019, so such a partner's insolvency falls under the Code. For example, P and Q run an unregistered partnership that supplied goods worth ₹3 lakh to R and has not been paid. R then sues the firm for ₹1 lakh over defective goods supplied under a different contract. The firm cannot set off the unpaid ₹3 lakh against R's claim. That is a right arising from a contract, and s. 69(3) bars a set-off just as s. 69(2) would bar a suit for it. However, if P and Q fall out, P can still sue for dissolution and for accounts, and after dissolution can take steps to realise the firm's assets. Similarly, if Q is adjudged insolvent under the Provincial Insolvency Act, 1920, the receiver may realise Q's interest in the firm, even though the firm was never registered. That interest is Q's share in the firm as a whole, worked out on taking accounts, not a separate portion of each partnership asset.

> (4) This section shall not apply,-
>
> (a) to firms or to partners in firms which have no place of business in the territories to which this Act extends, or whose places of business in the said territories, are situated in areas to which, by notification under 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.

69.4 Section 69 shall not apply to firms with no place of business in the territories to which the Act extends, or only in areas excluded under section 56, nor to small suits or set-off claims up to ₹100 that are triable by a Small Cause Court, or to proceedings arising from them.

Section 69 of the Indian Partnership Act, 1932 sets out what happens when a firm is not registered. Under sub-sections (1) to (3), a partner of an

unregistered firm cannot sue the firm or the other partners to enforce rights under the partnership contract, and an unregistered firm cannot sue third parties or claim a set-off to enforce a contractual right. Sub-section (4) creates two exceptions to these bars. Clause (a) concerns where the firm does business. The bar does not apply to a firm that has no place of business in the territories to which the Act extends, since such a firm cannot register under the Act in the first place. It also does not apply to a firm whose places of business are all in areas where the State Government has, by notification under s. 56, declared that Chapter VII (registration of firms) does not apply. In both situations registration is not available, so the firm is not penalised for failing to register. Clause (b) concerns petty claims. The bar does not apply to a suit or claim of set-off worth not more than ₹100, provided it is of a kind a Small Cause Court can try. In the old Presidency towns, that means it is not one of the suits excluded by s. 19 of the Presidency Small Cause Courts Act, 1882. Elsewhere, it means it is not one of the suits listed in the Second Schedule to the Provincial Small Cause Courts Act, 1887. The exception also covers execution proceedings and other proceedings incidental to or arising from such a suit. The purpose is to spare minor money claims the strict consequences of non-registration. For example, an unregistered firm in Patna supplies goods worth ₹80 to C, who fails to pay. The firm may sue C for the ₹80 because the claim is a simple money claim triable by a Small Cause Court and within the ₹100 limit, and it may later execute the decree. If the claim were for ₹5,000, s. 69(2) would bar the suit unless the firm were registered. Similarly, a firm whose only place of business is in Dubai may sue a customer in India on a contract without being registered under the Act, because clause (a) takes it outside s. 69.

70. Penalty for furnishing false particulars

No person shall sign any statement, notice or intimation for the registration of a firm that contains particulars he knows or believes to be false or incomplete.

> 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.

Section 70 of the Indian Partnership Act, 1932 is the penalty provision of Chapter VII, which deals with the registration of firms. The Registrar of Firms records whatever the partners state in the documents filed under this Chapter, and does not check whether it is true. These documents are the statement for registration (s. 58), which gives the firm's name, place of business, the partners' names and addresses, their dates of joining and the firm's duration, and the later intimations of changes. Those later filings cover a change in the firm's name or principal place of business (s. 60), the opening or closing of branches (s. 61), changes in partners' names or addresses (s. 62), and changes in the firm's constitution, its dissolution, or a minor partner's election on attaining majority (s. 63). The Register of Firms is treated as conclusive proof of what it records against the person who signed the statement (s. 68), and third parties rely on it to know who the partners are. Section 70 therefore makes it a criminal offence for a signatory to put false or incomplete information into these documents. The offence has two forms. In the first, the document contains a particular the signer knows to be false or does not believe to be true. In the second, it contains particulars the signer knows to be incomplete or does not believe to be complete. Knowledge or absence of belief is the essential mental element, so an honest mistake made in good faith is not punishable. The offence is committed by signing the document, and only the person who signs it is liable. The punishment is imprisonment for up to three months, or a fine, or both. For example, A, B and C carry on business in partnership, and A and B sign the statement for registration under s. 58. They deliberately leave out C's name because C is a government employee who is not allowed to engage in trade, and they state that A and B are the only partners. They know the particulars are incomplete and false, so both are punishable under s. 70. The same applies if B later retires and A signs an intimation under s. 63 giving a false date of retirement so that B appears to have left before a debt was incurred. By contrast, if A signs a statement giving B's address as one B has recently moved away from, without knowing of the move, A has no guilty knowledge and commits no offence. The entry can simply be corrected under s. 62 or s. 64.

71. Power to make rules

71.1 The State Government may make rules prescribing the fees payable to the Registrar of Firms, but such fees shall not exceed the maximum fees specified in Schedule I.

> (1) The State Government 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.

Section 71(1) of the Indian Partnership Act, 1932 gives the State Government power to fix, by rules, the fees payable in connection with the registration of firms. This fits the scheme of the Act, which leaves the administration of registration to the States: each State appoints its own Registrars of Firms (s. 57), and documents such as the statement for registration (s. 58), notices of changes in the firm or its constitution (ss. 60 to 63), and requests to inspect or copy the Register (s. 66) all go through that office. The rules may fix three kinds of fees: fees that must accompany documents sent to the Registrar, fees for inspecting documents in the Registrar's custody, and fees for certified copies from the Register of Firms. The power has two conditions. It must be exercised by notification in the Official Gazette, so that the fees are publicly known. Under the proviso, it is also capped: the fees fixed by the rules cannot exceed the maximum fees specified in Schedule I to the Act, and a rule fixing a higher fee would go beyond the power the Act confers. Under s. 71(3), all such rules must also be published in the Official Gazette, after which they take effect as if enacted in the Act. Many States have amended Schedule I by their own legislation to raise these maximums, so the applicable ceiling depends on the State. For example, suppose the Bihar Government notifies rules in the Official Gazette fixing the fee for filing a statement for registration of a firm under s. 58, the fee for inspecting the Register, and the fee for a certified copy of an entry. A firm sending its statement for registration must pay the notified fee along with it, and a person who wants to inspect the firm's entry under s. 66 must pay the inspection fee. If, however, any fee in those rules is higher than the maximum allowed by Schedule I, as it applies in Bihar, that

part of the rule is beyond the State's power under s. 71(1) and can be challenged as invalid.

71.2 The State Government may make rules to prescribe the forms and regulate the procedure for the registration of firms and the keeping of the Register of Firms.

(2) The State Government may 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.

Section 71(2) of the Indian Partnership Act, 1932 gives the State Government power to make rules on the practical working of Chapter VII, which deals with the registration of firms. The Act sets out the main duties: a firm is registered by filing a statement with the Registrar (s. 58), and later changes must be reported, such as a change in the firm name or principal place of business (s. 60), the opening or closing of branches (s. 61), changes in partners' names or addresses (s. 62), and changes in the constitution of the firm or its dissolution (s. 63). The Act does not prescribe the forms or office procedure for these filings, so s. 71(2) lets the State fill in those details. Under this power the State may prescribe the forms for the statement and its verification, and for the later intimations and notices. It may also prescribe the form of the Register of Firms and the manner in which entries

are made and amended in it. The rules may further regulate the Registrar's procedure when disputes arise, the filing, inspection and copying of documents, the weeding out of old registers and documents, and the keeping of an index to the Register. Clause (j) is a residuary power to make rules generally to carry out the purposes of the Chapter, but it is confined to matters within Chapter VII and cannot add to or override the Act. Section 71(1) separately empowers the State to prescribe fees, and under s. 71(3) all rules made under the section are subject to the condition of previous publication, so the draft rules must be published for public comment before they are finalised. Because registration is administered by the States, each State frames its own rules, and the forms and procedure may differ from State to State. For example, suppose three partners in Patna want to register their firm. Section 58 requires them to file a signed and verified statement with the Registrar giving the firm name, place of business, partners' names and addresses, and dates of joining. The State's rules made under s. 71(2)(a) prescribe the exact form of this statement and the wording of its verification, and the partners must use that form. If one partner later retires, the notice under s. 63 must be given in the form prescribed under clause (b), and the Registrar records the change in the Register in the manner prescribed under clause (c). If a member of the public later wants to inspect the firm's documents or obtain a certified copy of its entry, the conditions and procedure are governed by rules made under clauses (f) and (g), and the fee by rules under s. 71(1).

71.3 All rules made under this section shall be published in draft before they are finally made.

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

This provision limits the government's rule-making power under Section 71 by requiring that every rule be released in draft form before it takes effect, so that people likely to be affected can see it and respond. "Previous publication" is not defined in the provision itself; its meaning comes from Section 23 of the General Clauses Act, 1897. Under that section, the rule-making authority must publish the draft rules for the information of those likely to be affected, in the manner the parent Act prescribes or, if none is prescribed, in the manner the government prescribes, usually the Official

Gazette. The publication must carry a notice specifying a date on or after which the draft will be taken into consideration, and the authority must consider any objection or suggestion received from any person before that date. The final rules are then notified in the Official Gazette, and that notification is conclusive proof that the rules were duly made. The purpose is to bring public consultation and transparency into delegated legislation: rules have the force of law but are made by the executive rather than debated in the legislature, so affected persons get an opportunity to be heard before they are bound. The requirement is only that objections be invited and considered; the government is not obliged to accept them. For example, if the government wishes to make rules under Section 71 prescribing a new registration fee, it must first publish the draft rules in the Official Gazette with a notice inviting objections and suggestions within, say, 30 days. If traders' associations object that the fee is too high, the government must consider those objections before finally notifying the rules, with or without changes. If the government instead notified the fee rules directly without publishing a draft, it would have failed to satisfy the condition of previous publication, and the rules would be open to challenge as not made in accordance with the parent Act.

71.4 Every rule made by the State Government under section 71 shall be laid before the State Legislature as soon as it is made.

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

Section 71(4) is a "laying" provision, a standard way for the legislature to keep control over delegated legislation. The Act lets the State Government make rules to carry out its purposes, but rules made by the executive are law that the legislature never debated. The duty to lay them before the State Legislature as soon as they are made gives legislators notice of the rules and a chance to examine them, question the government or seek changes. This clause is a simple laying requirement: it does not say the rules take effect only after the Legislature approves them, and it does not provide for annulment within a fixed period. So the rules come into force under their own terms, usually on notification in the Official Gazette, and laying is a check on them afterwards rather than a condition for their validity. The Supreme Court has held that such a requirement is generally directory, not

mandatory. In *Atlas Cycle Industries Ltd. v. State of Haryana*, (1979) 2 SCC 196, it held that a failure to lay an order before Parliament did not make the order void. In *Jan Mohammad Noor Mohammad Bagban v. State of Gujarat*, AIR 1966 SC 385, it held that rules were not invalid merely because they were laid late. For example, suppose the State Government notifies rules under s. 71 prescribing the procedure and fees for registration under the Act, and the rules take effect on publication. The government must then place a copy of these rules on the table of the State Legislature at its next sitting. Members may then raise objections or press the government to amend or withdraw them. If the government delays in laying the rules, they do not become invalid for that reason alone, but the government has failed in a statutory duty and is answerable to the Legislature for it.