

CHAPTER 13

UNIT-3 REGISTRATION AND DISSOLUTION OF A FIRM

I Registration of firms; → (Its optional)
(changes in firms shd also)

⇒ (+) Application for registration (Section 58)
(Its not compulsory for firm to be reg from Beg)

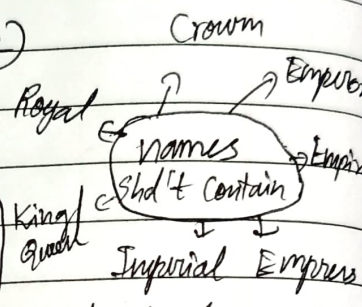
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effected at any time by delivering to Registrar of that area

↓
where B.S is situated

shall be signed by all P's/their agent

Statement → prescribed form & fee :-

- a) Firm's name
- b) " Place
- c) other places where B.S is carried on
- d) P's joining date
- e) Full name & permanent address of P
- f) Duration of firm



Exception: when Govt accepts it by order in writing

When Registrar is satisfied, he shall make entry of this statement in register (Register of Firm) & file start.

⇒ Registration (Section 59)

- ↓
- After Reg firm can use (Registered) firm's name.
- will issue Certificate of Reg.
- Can be done by withdrawal of suit, then get reg & file suit.

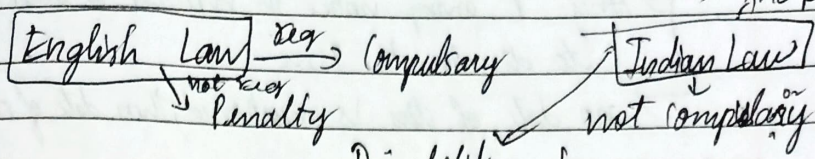
⇒ Late Registration on Payment of Penalty (Sec 59A-1)

→ Acc to (1A) of sec 59 → statement was not sent / failed / delayed to register

Penalty to Registrar
₹100 p.a / a part

Eg:- 1 1/2 y = ₹200
3y = ₹300

II Consequences of non-Registration (sec 69)



no penalty

- | | | |
|--|--|---|
| (i) <u>No suit in court by Fm & Ps</u>
→ Can't sue 3 rd party for Breach of Contract | (ii) <u>No set-off of claim</u>
→ If suit by 3 rd party is valued > ₹100 then F/Ps can't claim any set-off | (iii) <u>Aggrieved partner can't sue F/partners</u>
But he/she can sue for dissolution of F/for Acc & realization of his share in Firm's Propy after Dissol. |
| (iv) <u>3rd Party can sue the firm</u>
→ Even if firm is unreg. the 3 rd Pt can sue | | |

Exceptions:

- 1.) 3rd parties to sue the F/P.
- 2.) P can sue for Diss/for Acc/realization of Propy of Diss Firm.
- 3.) Power of Official Assignee → to release propy of insolvent P.
- 4.) Rgt to claim set-off valued < ₹100.
- 5.) Rgts of legal repse/heirs of decessd P for Acc/realise Propy of F.

Eg:- when B.S continues with Old partners even after death of a partner. No new partner is admitted after that.
Then sec 69 (2) applied → when it can sue other 3rd Party in court even without recording changes in Register.

III Dissolution of Firm:

→ The dissolution b/w all Ps of a firm [sec 39]

1. Dissolution with out order of court / Voluntary Diss:

- | | | |
|---|---|---|
| (i) <u>[Sec 40] Dissolution by Agree</u>
→ with consent of all Ps/
→ with accordance of contract b/w Ps | (ii) <u>[Sec 41] Compulsory Diss</u>
→ By adjudication of all Ps ^{judgment}
→ Business becomes unlawful by some events | (iii) <u>[Sec 42] Diss on happening of certain Contingencies</u>
→ P.S for fixed period ^{ends}
→ P/S P.S in complete
→ Death of a P
→ Insolvent P. |
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