IPA-C06 - 17 PROVISIONS

Dissolution, Accounts and Goodwill

Indian Partnership Act, 1932

Full local statutory text **Finin2min implementation edition** **CA Nikhil Gupta and Kajri Singh**

Finin2min Summary - Chapter in 2 Minutes

Purpose

This unit converts dissolution, accounts and goodwill into statutory, transaction, evidence and remedy decisions.

Who is covered

Businesses, contracting parties, partners, buyers, sellers, principals, agents and litigants affected by this chapter.

Main obligations

Read the transaction documents and actual conduct against every statutory limb, exception and connected law.

Key timelines

Record event, breach, refusal, notice, acknowledgment and filing dates; apply the correct Limitation Act article.

Forms and evidence

Use the chapter evidence checklist and State/UT forms where registration or public notice applies.

Top risk

Wrong classification, missing authority, weak evidence, ineffective notice, unverified State process or wrong remedy.

Remedy

Preserve rights, mitigate loss, quantify exposure and confirm forum, arbitration, limitation and interim relief.

Finin2min takeaway

Classify - map law - verify authority - prove performance - quantify consequence - select remedy and forum.

Section-by-section provision map

Provision	Title	Status	Decision theme
s.39	Dissolution of a firm	operative	dissolution and settlement
s.40	Dissolution by agreement	operative	dissolution and settlement
s.41	Compulsory dissolution	operative	dissolution and settlement
s.42		operative	dissolution and settlement

	Dissolution on the happening of certain contingencies		
s.43	Dissolution by notice of partnership at will	operative	dissolution and settlement
s.44	Dissolution by the Court	operative	dissolution and settlement
s.45	Liability for acts of partners done after dissolution	operative	dissolution and settlement
s.46	Right of partners to have business wound up after dissolution	operative	dissolution and settlement
s.47	Continuing authority of partners for purposes of winding up	operative	dissolution and settlement
s.48	Mode of settlement of accounts between partners	operative	dissolution and settlement
s.49	Payment of firm debts and of separate debts	operative	price, payment and financial consequence
s.50	Personal profits earned after dissolution	operative	dissolution and settlement
s.51	Return of premium on premature dissolution	operative	dissolution and settlement
s.52	Rights where partnership contract is rescinded for fraud or misrepresentation	operative	validity and consent
s.53	Right to restrain from use of firm name or firm property	operative	title, property and risk
s.54	Agreements in restraint of trade	operative	commercial rights and obligations
s.55	Sale of goodwill after dissolution	operative	dissolution and settlement

Legal status, amendments and source protocol

Act: Indian Partnership Act, 1932; Act 9 of 1932; commencement 1 October 1932; section 69 from 1 October 1933.

Source protocol: Complete central provision text is reproduced locally. Local public-domain central Act transcription reconciled to India Code structure. Official India Code and Gazette instruments prevail if any discrepancy is identified.

Full statutory text and Finin2min decode

Section 39 - Dissolution of a firm

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

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

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	The dissolution of partnership between all the partners of a firm is called the dissolution of the firm.	Test this main limb within the dissolution and settlement framework. Operational focus: the dissolution of partnership between all the partners of a firm is called the dissolution of the firm.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 39 is a dissolution and settlement provision dealing with dissolution of a firm. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 40 - Dissolution by agreement

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

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

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	A firm may be dissolved with the consent of all the partners or in accordance with a contract between the partners.	Test this main limb within the dissolution and settlement framework. Operational focus: a firm may be dissolved with the consent of all the partners or in accordance with a contract.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 40 is a dissolution and settlement provision dealing with dissolution by agreement. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 41 - Compulsory dissolution

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

A firm is dissolved-
(a) by the adjudication of all the partners or of all the partners but one as insolvent; or
(b) by the happening of any event which makes it unlawful for the business of the firm to be carried on or for the partners to carry it on in partnership:
Provided that, where more than one separate adventure or undertaking is carried on by the firm, the illegality of one or more shall not of itself cause the dissolution of the firm in respect of its lawful adventures and undertakings.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	A firm is dissolved-	Test this main limb within the dissolution and settlement framework. Operational focus: a firm is dissolved-.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	by the adjudication of all the partners or of all the partners but one as insolvent; or	Test this (a) within the dissolution and settlement framework. Operational focus: by the adjudication of all the partners or of all the partners but one as insolvent; or.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	by the happening of any event which makes it unlawful for the business of the firm to be carried on or for the partners to carry it on in partnership:	Test this (b) within the dissolution and settlement framework. Operational focus: by the happening of any event which makes it unlawful for the business of the firm to be.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
Provided that	, where more than one separate adventure or undertaking is	Test this provided that within the dissolution and	Contract/deed, authority,

	carried on by the firm, the illegality of one or more shall not of itself cause the dissolution of the firm in respect of its lawful adventures and undertakings.	settlement framework. Operational focus: , where more than one separate adventure or undertaking is carried on by the firm, the illegality of.	chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 41 is a dissolution and settlement provision dealing with compulsory dissolution. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 42 - Dissolution on the happening of certain contingencies

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

Subject to contract between the partners, a firm is dissolved-
(a) if constituted for a fixed term, by the expiry of that term;
(b) if constituted to carry out one or more adventures or undertakings, by the completion thereof;
(c) by the death of a partner; and
(d) by the adjudication of a partner as an insolvent.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Subject to contract between the partners, a firm is dissolved-	Test this main limb within the dissolution and settlement framework. Operational focus: subject to contract between the partners, a firm is dissolved-.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	if constituted for a fixed term, by the expiry of that term	Test this (a) within the dissolution and settlement framework. Operational focus: if constituted for a fixed term, by the expiry of that term.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	if constituted to carry out one or more adventures or undertakings, by the completion thereof	Test this (b) within the dissolution and settlement framework. Operational focus: if constituted to carry out one or more adventures or undertakings, by the completion thereof.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(c)	by the death of a partner; and	Test this (c) within the dissolution and settlement framework. Operational focus: by the death of a partner; and.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(d)			

	by the adjudication of a partner as an insolvent.	Test this (d) within the dissolution and settlement framework. Operational focus: by the adjudication of a partner as an insolvent.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 42 is a dissolution and settlement provision dealing with dissolution on the happening of certain contingencies. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 43 - Dissolution by notice of partnership at will

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

(1) Where the partnership is at will, the firm may be dissolved by any partner giving notice in writing to all the other partners of his intention to dissolve the firm.
(2) The firm is dissolved as from the date mentioned in the notice as the date of dissolution or, if no date is mentioned, as from the date of the communication of the notice.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
(1)	Where the partnership is at will, the firm may be dissolved by any partner giving notice in writing to all the other partners of his intention to dissolve the firm.	Test this (1) within the dissolution and settlement framework. Operational focus: where the partnership is at will, the firm may be dissolved by any partner giving notice in writing.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	The firm is dissolved as from the date mentioned in the notice as the date of dissolution or, if no date is mentioned, as from the date of the communication of the notice.	Test this (2) within the dissolution and settlement framework. Operational focus: the firm is dissolved as from the date mentioned in the notice as the date of dissolution or.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 43 is a dissolution and settlement provision dealing with dissolution by notice of partnership at will. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 44 - Dissolution by the Court

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

At the suit of a partner, the Court may dissolve a firm on any of the following grounds, namely:-
(a) that a partner has become of unsound mind, in which case the suit may be brought by the next friend of the partner who has become of unsound mind as well as by any other partner;
(b) that a partner, other than the partner suing, has become in any way permanently incapable of performing his duties as partner;
(c) that a partner, other than the partner suing, is guilty of conduct which is likely to affect prejudicially the carrying on of the business, regard being had to the nature of the business;
(d) that a partner, other than the partner suing, wilfully or persistently commits breach of agreements relating to the management of the affairs of the firm or the conduct of its business, or otherwise so conducts himself in matters relating to the business that it is not reasonably practicable for the other partners to carry on the business in partnership with him;
(e) that a partner, other than the partner suing, has in any way transferred the whole of his interest in the firm to a third party, or has allowed his share to be charged under Order XXI rule 49 of the Code of Civil Procedure, 1908, or sold in recovery of arrears recoverable as land revenue;
(f) that the business of the firm cannot be carried on save at a loss; or
(g) on any other ground which renders it just and equitable that the firm should be dissolved.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	At the suit of a partner, the Court may dissolve a firm on any of the following grounds, namely:-	Test this main limb within the dissolution and settlement framework. Operational focus: at the suit of a partner, the court may dissolve a firm on any of the following grounds.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	that a partner has become of unsound mind, in which case the suit may be brought by the next friend of the partner who has become of unsound mind as well as by any other partner	Test this (a) within the dissolution and settlement framework. Operational focus: that a partner has become of unsound mind, in which case the suit may be brought by the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

(b)	that a partner, other than the partner suing, has become in any way permanently incapable of performing his duties as partner	Test this (b) within the dissolution and settlement framework. Operational focus: that a partner, other than the partner suing, has become in any way permanently incapable of performing his.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(c)	that a partner, other than the partner suing, is guilty of conduct which is likely to affect prejudicially the carrying on of the business, regard being had to the nature of the business	Test this (c) within the dissolution and settlement framework. Operational focus: that a partner, other than the partner suing, is guilty of conduct which is likely to affect prejudicially.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(d)	that a partner, other than the partner suing, wilfully or persistently commits breach of agreements relating to the management of the affairs of the firm or the conduct of its business, or otherwise so conducts himself in matters relating to the business that it is not reasonably practicable for the other partners to carry on the business in partnership with him	Test this (d) within the dissolution and settlement framework. Operational focus: that a partner, other than the partner suing, wilfully or persistently commits breach of agreements relating to the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(e)	that a partner, other than the partner suing, has in any way transferred the whole of his interest in the firm to a third party, or has allowed his share to be charged under Order XXI rule 49 of the Code of Civil Procedure, 1908, or sold in recovery of arrears recoverable as land revenue	Test this (e) within the dissolution and settlement framework. Operational focus: that a partner, other than the partner suing, has in any way transferred the whole of his interest.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(f)	that the business of the firm cannot be carried on save at a loss; or	Test this (f) within the dissolution and settlement framework. Operational focus: that the business of the firm cannot be carried on save at a loss; or.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

(g)	on any other ground which renders it just and equitable that the firm should be dissolved.	Test this (g) within the dissolution and settlement framework. Operational focus: on any other ground which renders it just and equitable that the firm should be dissolved.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 44 is a dissolution and settlement provision dealing with dissolution by the court. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 45 - Liability for acts of partners done after dissolution

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

(1) Notwithstanding the dissolution of a firm, the partners continue to be liable as such to third parties for any act done by any of them which would have been an act of the firm if done before the dissolution, until public notice is given of the dissolution: Provided that the estate of a partner who dies, or who is adjudicated an insolvent, or of a partner who, not having been known to the person dealing with the firm to be a partner, retires from the firm, is not liable under this section for acts done after the date on which he ceases to be a partner.
(2) Notices under sub-section (1) may be given by any partner.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
(1)	Notwithstanding the dissolution of a firm, the partners continue to be liable as such to third parties for any act done by any of them which would have been an act of the firm if done before the dissolution, until public notice is given of the dissolution:	Test this (1) within the dissolution and settlement framework. Operational focus: notwithstanding the dissolution of a firm, the partners continue to be liable as such to third parties for.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
Provided that	the estate of a partner who dies, or who is adjudicated an insolvent, or of a partner who, not having been known to the person dealing with the firm to be a partner, retires from the firm, is not liable under this section for acts done after the date on which he ceases to be a partner.	Test this provided that within the dissolution and settlement framework. Operational focus: the estate of a partner who dies, or who is adjudicated an insolvent, or of a partner who.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	Notices under sub-section	Test this (2) within the dissolution and settlement framework. Operational focus: notices under sub-section.	Contract/deed, authority, chronology, notices, performance and

			payment records tied to this limb.
(1)	may be given by any partner.	Test this (1) within the dissolution and settlement framework. Operational focus: may be given by any partner.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 45 is a dissolution and settlement provision dealing with liability for acts of partners done after dissolution. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 46 - Right of partners to have business wound up after dissolution

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

On the dissolution of a firm every partner or his representative is entitled, as against all the other partners or their representatives, to have the property of the firm applied in payment of the debts and liabilities of the firm, and to have the surplus distributed among the partners or their representatives according to their rights.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	On the dissolution of a firm every partner or his representative is entitled, as against all the other partners or their representatives, to have the property of the firm applied in payment of the debts and liabilities of the firm, and to have the surplus distributed among the partners or their representatives according to their rights.	Test this main limb within the dissolution and settlement framework. Operational focus: on the dissolution of a firm every partner or his representative is entitled, as against all the other.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 46 is a dissolution and settlement provision dealing with right of partners to have business wound up after dissolution. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 47 - Continuing authority of partners for purposes of winding up

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

After the dissolution of a firm the authority of each partner to bind the firm, and the other mutual rights and obligations of the partners, continue notwithstanding the dissolution, so far as may be necessary to wind up the affairs of the firm and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise:
Provided that the firm is in no case bound by the acts of a partner who has been adjudicated insolvent; but this proviso does not affect the liability of any person who has after the adjudication represented himself or knowingly permitted himself to be represented as a partner of the insolvent.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	After the dissolution of a firm the authority of each partner to bind the firm, and the other mutual rights and obligations of the partners, continue notwithstanding the dissolution, so far as may be necessary to wind up the affairs of the firm and to complete transactions begun but unfinished at the time of the dissolution, but not otherwise:	Test this main limb within the dissolution and settlement framework. Operational focus: after the dissolution of a firm the authority of each partner to bind the firm, and the other.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
Provided that	the firm is in no case bound by the acts of a partner who has been adjudicated insolvent; but this proviso does not affect the liability of any person who has after the adjudication represented himself or knowingly permitted himself to be represented as a partner of the insolvent.	Test this provided that within the dissolution and settlement framework. Operational focus: the firm is in no case bound by the acts of a partner who has been adjudicated insolvent.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 47 is a dissolution and settlement provision dealing with continuing authority of partners for purposes of winding up. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 48 - Mode of settlement of accounts between partners

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

In settling the accounts of a firm after dissolution, the following rules shall, subject to agreement by the partners, be observed:-
(a) losses, including deficiencies of capital, shall be paid first out of profits, next out of capital, and lastly, if necessary, by the partners individually in the proportions in which they were entitled to share profits;
(b) the assets of the firm, including any sums contributed by the partners to make up deficiencies of capital, shall be applied in the following manner and order-
(i) in paying the debts of the firm to third parties;
(ii) in paying to each partner rateably what is due to him from the firm for advances as distinguished from capital;
(iii) in paying to each partner rateably what is due to him on account of capital; and
(iv) the residue, if any, shall be divided among the partners in the proportions in which they were entitled to share profits.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	In settling the accounts of a firm after dissolution, the following rules shall, subject to agreement by the partners, be observed:-	Test this main limb within the dissolution and settlement framework. Operational focus: in settling the accounts of a firm after dissolution, the following rules shall, subject to agreement by the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	losses, including deficiencies of capital, shall be paid first out of profits, next out of capital, and lastly, if necessary, by the partners individually in the proportions in which they were entitled to share profits	Test this (a) within the dissolution and settlement framework. Operational focus: losses, including deficiencies of capital, shall be paid first out of profits, next out of capital, and lastly.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	the assets of the firm, including any sums contributed by the partners to make up deficiencies of capital, shall be applied in the following manner and order-	Test this (b) within the dissolution and settlement framework. Operational focus: the assets of the firm, including any sums contributed by the	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

		partners to make up deficiencies of capital.	
(i)	in paying the debts of the firm to third parties	Test this (i) within the dissolution and settlement framework. Operational focus: in paying the debts of the firm to third parties.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(ii)	in paying to each partner rateably what is due to him from the firm for advances as distinguished from capital	Test this (ii) within the dissolution and settlement framework. Operational focus: in paying to each partner rateably what is due to him from the firm for advances as distinguished.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(iii)	in paying to each partner rateably what is due to him on account of capital; and	Test this (iii) within the dissolution and settlement framework. Operational focus: in paying to each partner rateably what is due to him on account of capital; and.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(iv)	the residue, if any, shall be divided among the partners in the proportions in which they were entitled to share profits.	Test this (iv) within the dissolution and settlement framework. Operational focus: the residue, if any, shall be divided among the partners in the proportions in which they were entitled.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 48 is a dissolution and settlement provision dealing with mode of settlement of accounts between partners. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 49 - Payment of firm debts and of separate debts

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

Current statutory text

Where there are joint debts due from the firm, and also separate debts due from any partner, the property of the firm shall be applied in the first instance in payment of the debts of the firm, and, if there is any surplus, the share of each partner shall be applied in payment of his separate debts or paid to him. The separate property of any partner shall be applied first in the payment of his separate debts and the surplus, if any, in the payment of the debts of the firm.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/ control
Main rule	Where there are joint debts due from the firm, and also separate debts due from any partner, the property of the firm shall be applied in the first instance in payment of the debts of the firm, and, if there is any surplus, the share of each partner shall be applied in payment of his separate debts or paid to him. The separate property of any partner shall be applied first in the payment of his separate debts and the surplus, if any, in the payment of the debts of the firm.	Test this main limb within the price, payment and financial consequence framework. Operational focus: where there are joint debts due from the firm, and also separate debts due from any partner, the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 49 is a price, payment and financial consequence provision dealing with payment of firm debts and of separate debts. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Reconcile base price, taxes, credits, deductions, interest, due dates and payment proof. Link every adjustment to the contract and statute.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 50 - Personal profits earned after dissolution

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

Current statutory text

Subject to contract between the partners, the provisions of clause (a) of section 16 shall apply to transactions by any surviving partner or by the representatives of a deceased partner undertaken on behalf of the firm after the firm is dissolved on account of the death of a partner and before its affairs have been completely wound up:
Provided that where any partner or his representative has bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Subject to contract between the partners, the provisions of clause	Test this main limb within the dissolution and settlement framework. Operational focus: subject to contract between the partners, the provisions of clause.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	of section 16 shall apply to transactions by any surviving partner or by the representatives of a deceased partner undertaken on behalf of the firm after the firm is dissolved on account of the death of a partner and before its affairs have been completely wound up:	Test this (a) within the dissolution and settlement framework. Operational focus: of section 16 shall apply to transactions by any surviving partner or by the representatives of a deceased.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
Provided that	where any partner or his representative has bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.	Test this provided that within the dissolution and settlement framework. Operational focus: where any partner or his representative has bought the goodwill of	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

		the firm, nothing in this section shall.	

Finin2min implementation explanation

Section 50 is a dissolution and settlement provision dealing with personal profits earned after dissolution. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 51 - Return of premium on premature dissolution

> **Local statutory-text source control:** Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source]() prevails.

Current statutory text

Where a partner has paid a premium on entering into partnership for a fixed term, and the firm is dissolved before the expiration of that term otherwise than by the death of a partner, he shall be entitled to repayment of the premium or of such part thereof as may be reasonable, regard being had to the terms upon which he became a partner and to the length of time during which he was a partner, unless-
(a) the dissolution is mainly due to his own misconduct; or
(b) the dissolution is in pursuance of an agreement containing no provision for return of the premium or any part of it.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Where a partner has paid a premium on entering into partnership for a fixed term, and the firm is dissolved before the expiration of that term otherwise than by the death of a partner, he shall be entitled to repayment of the premium or of such part thereof as may be reasonable, regard being had to the terms upon which he became a partner and to the length of time during which he was a partner, unless-	Test this main limb within the dissolution and settlement framework. Operational focus: where a partner has paid a premium on entering into partnership for a fixed term, and the firm.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	the dissolution is mainly due to his own misconduct; or	Test this (a) within the dissolution and settlement framework. Operational focus: the dissolution is mainly due to his own misconduct; or.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	the dissolution is in pursuance of an agreement containing no provision for return of the premium or any part of it.	Test this (b) within the dissolution and settlement framework. Operational focus: the dissolution is in	Contract/deed, authority, chronology, notices, performance and

		pursuance of an agreement containing no provision for return of the premium or any.	payment records tied to this limb.

Finin2min implementation explanation

Section 51 is a dissolution and settlement provision dealing with return of premium on premature dissolution. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 52 - Rights where partnership contract is rescinded for fraud or misrepresentation

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. [Official India Code source] prevails.

Current statutory text

Where a contract creating partnership is rescinded on the ground of fraud or misrepresentation of one of the parties thereto, the party entitled to rescind is, without prejudice to any other right, entitled-
(a) to a lien on, or right of retention of, the surplus of the assets of the firm remaining after the debts of the firm have been paid, for any sum paid by him for the purchase of a share in the firm and for any capital contributed by him;
(b) to rank as a creditor of the firm in respect of any payment made by him towards the debts of the firm; and
(c) to be indemnified by the partner or partners guilty of the fraud or misrepresentation against all the debts of the firm.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Where a contract creating partnership is rescinded on the ground of fraud or misrepresentation of one of the parties thereto, the party entitled to rescind is, without prejudice to any other right, entitled-	Test this main limb within the validity and consent framework. Operational focus: where a contract creating partnership is rescinded on the ground of fraud or misrepresentation of one of the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	to a lien on, or right of retention of, the surplus of the assets of the firm remaining after the debts of the firm have been paid, for any sum paid by him for the purchase of a share in the firm and for any capital contributed by him	Test this (a) within the validity and consent framework. Operational focus: to a lien on, or right of retention of, the surplus of the assets of the firm remaining.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(b)	to rank as a creditor of the firm in respect of any payment made by him towards the debts of the firm; and	Test this (b) within the validity and consent framework. Operational focus: to rank as a creditor of the firm in respect of any payment made by him towards the.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(c)			

	to be indemnified by the partner or partners guilty of the fraud or misrepresentation against all the debts of the firm.	Test this (c) within the validity and consent framework. Operational focus: to be indemnified by the partner or partners guilty of the fraud or misrepresentation against all the debts.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

> Section 52 is a validity and consent provision dealing with rights where partnership contract is rescinded for fraud or misrepresentation. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.
>
> **Implementation control:** Preserve negotiations, disclosures and approvals. Test capacity, free consent, lawful object, severability, restitution and ratification as separate questions.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 53 - Right to restrain from use of firm name or firm property

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

After a firm is dissolved, every partner or his representative may, in the absence of a contract between the partners to the contrary, restrain any other partner or his representative from carrying on a similar business in the firm name or from using any of the property of the firm for his own benefit, until the affairs of the firm have been completely wound up:
Provided that where any partner or his representative has bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	After a firm is dissolved, every partner or his representative may, in the absence of a contract between the partners to the contrary, restrain any other partner or his representative from carrying on a similar business in the firm name or from using any of the property of the firm for his own benefit, until the affairs of the firm have been completely wound up:	Test this main limb within the title, property and risk framework. Operational focus: after a firm is dissolved, every partner or his representative may, in the absence of a contract between.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
Provided that	where any partner or his representative has bought the goodwill of the firm, nothing in this section shall affect his right to use the firm name.	Test this provided that within the title, property and risk framework. Operational focus: where any partner or his representative has bought the goodwill of the firm, nothing in this section shall.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 53 is a title, property and risk provision dealing with right to restrain from use of firm name or firm property. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Prepare a title-risk timeline covering identification, appropriation, notice, delivery, documents of title, reservation of disposal and good-faith third-party rights.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 54 - Agreements in restraint of trade

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

Partners may, upon or in anticipation of the dissolution of the firm, make an agreement that some or all of them will not carry on a business similar to that of the firm within a specified period or within specified local limits; and, notwithstanding section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
Main rule	Partners may, upon or in anticipation of the dissolution of the firm, make an agreement that some or all of them will not carry on a business similar to that of the firm within a specified period or within specified local limits; and, notwithstanding section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable.	Test this main limb within the commercial rights and obligations framework. Operational focus: partners may, upon or in anticipation of the dissolution of the firm, make an agreement that some or.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 54 is a commercial rights and obligations provision dealing with agreements in restraint of trade. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Translate the provision into an owner, trigger, approval, evidence, deadline, exception and remedy control, then test connected law and State variation.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Section 55 - Sale of goodwill after dissolution

Local statutory-text source control: Local public-domain central Act transcription reconciled to India Code structure. Official India Code source prevails.

Current statutory text

(1) In settling the accounts of a firm after dissolution, the goodwill shall, subject to contract between the partners, be included in the assets, and it may be sold either separately or along with other property of the firm.
(2) Where the goodwill of a firm is sold after dissolution, a partner may carry on a business competing with that of the buyer and may advertise such business, but, subject to agreement between him and the buyer, he may not-
(a) use the firm name;
(b) represent himself as carrying on the business of the firm; or
(c) solicit the custom of persons who were dealing with the firm before its dissolution.
(3) Any partner may, upon the sale of the goodwill of a firm, make an agreement with the buyer that such partner will not carry on any business similar to that of the firm within a specified period or within specified local limits; and, notwithstanding section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable.

Finin2min clause-by-clause decode

Clause	Statutory requirement	Finin2min meaning	Evidence/control
(1)	In settling the accounts of a firm after dissolution, the goodwill shall, subject to contract between the partners, be included in the assets, and it may be sold either separately or along with other property of the firm.	Test this (1) within the dissolution and settlement framework. Operational focus: in settling the accounts of a firm after dissolution, the goodwill shall, subject to contract between the partners.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(2)	Where the goodwill of a firm is sold after dissolution, a partner may carry on a business competing with that of the buyer and may advertise such business, but, subject to agreement between him and the buyer, he may not-	Test this (2) within the dissolution and settlement framework. Operational focus: where the goodwill of a firm is sold after dissolution, a partner may carry on a business competing.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(a)	use the firm name	Test this (a) within the dissolution and	Contract/deed, authority,

		settlement framework. Operational focus: use the firm name.	chronology, notices, performance and payment records tied to this limb.
(b)	represent himself as carrying on the business of the firm; or	Test this (b) within the dissolution and settlement framework. Operational focus: represent himself as carrying on the business of the firm; or.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(c)	solicit the custom of persons who were dealing with the firm before its dissolution.	Test this (c) within the dissolution and settlement framework. Operational focus: solicit the custom of persons who were dealing with the firm before its dissolution.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.
(3)	Any partner may, upon the sale of the goodwill of a firm, make an agreement with the buyer that such partner will not carry on any business similar to that of the firm within a specified period or within specified local limits; and, notwithstanding section 27 of the Indian Contract Act, 1872, such agreement shall be valid if the restrictions imposed are reasonable.	Test this (3) within the dissolution and settlement framework. Operational focus: any partner may, upon the sale of the goodwill of a firm, make an agreement with the buyer.	Contract/deed, authority, chronology, notices, performance and payment records tied to this limb.

Finin2min implementation explanation

Section 55 is a dissolution and settlement provision dealing with sale of goodwill after dissolution. Identify the actor, trigger, cumulative or alternative conditions, provisos, exceptions and legal consequence before reaching a conclusion.

Implementation control: Freeze assets, liabilities, partner loans, capital, drawings and goodwill. Apply the statutory settlement order and preserve winding-up authority and notices.

Section-level practical application

Transaction test

Apply this provision to the event-date facts and record every satisfied, disputed or inapplicable limb.

Consequence and remedy

Identify how it changes validity, title, authority, liability, payment, rejection, recovery, registration, evidence or relief.

Practical examples and calculations

Chapter scenario

A live transaction raises issues concerning dissolution, accounts and goodwill. Freeze the event date, map each statutory condition, preserve authority and performance evidence, quantify exposure and choose remedy only after limitation and forum review.

Calculation	Method	Evidence
Price / consideration	Reconcile base amount, GST/tax, credits, retention, deductions and payment terms.	Contract, invoice, ledger, tax documents and bank proof.
Loss / compensation	Separate direct loss, consequential loss, avoided cost, mitigation, restitution, interest and stipulated sum.	Loss model, market evidence and mitigation log.
Partner settlement	Reconcile capital, current accounts, loans, drawings, profit share, assets, liabilities and goodwill.	Deed, ledgers, bank records and valuation.
Limitation	Record accrual, breach/refusal, notice, acknowledgment, exclusion and filing date.	Chronology and limitation memorandum.

Practical transaction application

1. Identify the transaction, relationship, parties and event date.
2. Map every provision to the contract/deed and actual conduct.
3. Record conditions satisfied, disputed, waived, excused or prevented.
4. Reconcile authority, delivery/performance, acceptance, payment and notices.
5. Quantify exposure and choose cure, termination, recovery, settlement or litigation strategy.

Authority, consent and execution controls

Authority

- Correct legal entities and counterparties.
- Board, partner, power-of-attorney or delegated authority.
- Ordinary-course and implied-authority limits.
- Third-party knowledge of restrictions.

Consent

- Offer, acceptance and agreed version.
- Capacity, free consent and disclosures.
- Conditions precedent and approvals.
- No unauthorised post-execution alteration.

Execution

- Complete schedules and annexures.
- Witnessing, attestation and e-sign audit trail.
- Counterparts, date and place.
- Original and certified-copy custody.

Stamp duty and registration alerts

Stamp duty is State/UT-specific. Classify the true instrument, place of execution or receipt, consideration and property. Registration is a separate enquiry. Insufficient stamping may require impounding; non-registration may affect property and third-party enforceability.

Instrument	Alert
Commercial agreement	Do not default to a generic article if the substance is indemnity, guarantee, security, transfer, lease or another specifically charged instrument.
Partnership deed/ reconstitution	Check capital contribution, immovable property, retirement/dissolution and Registrar filing separately.
Sale of movable goods	Coordinate contract, invoice, GST/e-invoice, transport and sectoral records.
Property-related relief	Check compulsory registration, title, court fee and decree-registration effects.

Evidence and document-retention checklist

Core file

- Executed deed and amendments
- Partner identity and authority records
- Capital, current account and drawings ledger
- Profit-sharing and remuneration approvals
- Firm property and goodwill register
- Bank mandate and signing matrix
- Admission, retirement or expulsion documents
- Registrar filings and public notice evidence

Electronic evidence

- Native email/message and metadata.
- Version history and e-sign certificate.
- System logs and acknowledgements.
- Legal hold and defensible export.

Retention

- Executed originals and amendments.
- Authority and entity records.
- Tax, payment and accounting records.
- Claims and litigation records through final disposal.

Forms, registers and operational records

Record/form	Control
State registration statement	Form and fee are prescribed by the relevant State/UT rules under section 71.
Change intimation	State forms commonly apply to firm name, principal place, branches, partner changes and dissolution.
Public notice evidence	Registrar notice plus Official Gazette and vernacular-newspaper publication where section 72 requires it.

Performance, delivery and payment controls

Stage	Control	Proof
Obligation matrix	List each reciprocal obligation, owner, due date, dependency and consequence.	Signed matrix tied to contract sections.
Delivery/ performance	Record dispatch, carrier, title/risk point, milestones, inspection and acceptance/rejection.	Delivery documents, certificates and correspondence.
Payment	Reconcile invoice, tax, credit, retention, set-off, due date and bank receipt.	Invoice, e-invoice, ledger and bank proof.
Change/cure	Use authorised variation and cure procedures; avoid informal waiver.	Change order, approval and cure closure.

Breach, loss, mitigation and remedy framework

1. Identify the exact obligation and legally material breach.
2. Confirm causation, remoteness, foreseeability and proof of loss.
3. Record mitigation, avoided cost and substitute performance.
4. Test damages, price, restitution, lien, stoppage, accounts, dissolution, specific performance, injunction, rescission, rectification, cancellation or declaration.
5. Check remedy election, double recovery, caps/exclusions and public policy.

Limitation and forum controls

Control	Analysis
Accrual	Classify cause of action and record breach, refusal, knowledge, demand and continuing-obligation dates.
Limitation	Apply the correct article; test acknowledgment, part-payment, exclusion and disability.
Jurisdiction	Check territorial/pecuniary rules, Commercial Courts threshold, exclusive forum and special court.
Interim relief	Assess preservation, injunction, receiver, security and evidence protection.
Appeal/ enforcement	Map decree/award challenge, execution, interest and cross-border enforcement.

Arbitration and mediation interface

- Validate agreement, signatories, scope, seat, rules and appointment mechanism.
- Separate substantive rights from forum selection and identify non-arbitrable issues.
- Check interim measures, consolidation, joinder and multi-contract issues.
- Preserve limitation during negotiation or mediation.
- Record settlement authority, confidentiality, tax, stamp and enforceability.

Company, partnership, GST and tax overlays

Overlay	Questions
Companies Act	Authority, objects, approvals, related-party, loan/guarantee/security and disclosure requirements.
Partnership/LLP	Deed/LLP authority, current constitution and public records.
GST	Supply, time/place/value, invoice/e-invoice, ITC, credit note, advance, damages and settlement treatment.
Income tax/TDS	Withholding, partner remuneration/interest, capital/revenue, bad debt, settlement and transfer consequences.
IBC/FEMA/ consumer	Moratorium and avoidance, cross-border payment/governing law, consumer and e-commerce protection.

Binding and foundational judicial principles

Authority	Principle	Verification
Cox v. Hickman	Profit sharing is relevant but mutual agency is the decisive partnership test.	Verify official judgment and later treatment.
Dulichand Laxminarayan v. CIT	A firm is not a separate legal person in the same sense as a company; statutory context controls treatment.	Verify official judgment and later treatment.
Addanki Narayanappa v. Bhaskara Krishnappa	A partner has a right to a share in partnership assets and profits, not ownership of a specific item of firm property during subsistence.	Verify official judgment and later treatment.
Jagdish Chandra Gupta v. Kajaria Traders	Section 69 disabilities are construed with the statutory nature of the claim and firm registration status.	Verify official judgment and later treatment.

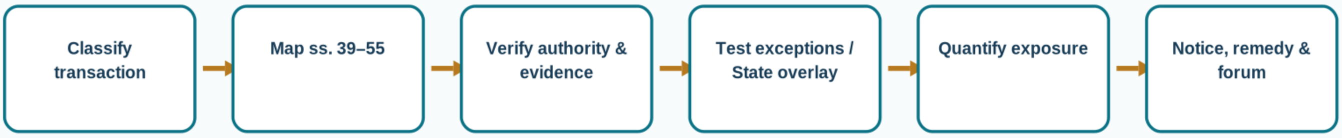
Central and State/UT variation alerts

Partnership Rules, forms, fees, Registrar portals, stamp duty and public-notice practice are State/UT-specific.

Use the State/UT variation register in the data folder for the live source checklist.

Chapter-specific decision flowchart

IPA-C06 · Finin2min decision path



Modes of dissolution, court grounds, notice, authority, settlement, premium and goodwill. Verify the current official source before professional reliance.

Finin2min Q&A

What decision does IPA-C06 help a business make?

It determines how dissolution, accounts and goodwill should be classified, documented, performed and enforced under sections 39-55 of the Indian Partnership Act, 1932.

Which provision should be read first in IPA-C06?

Begin with section 39 (Dissolution of a firm) and then read the connected definitions, exceptions and remedy provisions in sequence.

What is the principal implementation risk in IPA-C06?

Applying a commercial label without proving the statutory conditions for dissolution, accounts and goodwill, or acting without authority, notice, performance and payment evidence.

Which execution checks are specific to IPA-C06?

Confirm the correct entities, signatory authority, consent, complete annexures, stamp and registration treatment, digital audit trail and approvals relevant to dissolution, accounts and goodwill.

How should evidence be indexed for IPA-C06?

Link every section in the chapter with the contract or deed, authority, chronology, notices, performance, delivery, payment, loss and remedy evidence supporting it.

What calculation should be retained for IPA-C06?

Retain the relevant price, tax, interest, partner-account, loss, mitigation, restitution or relief working with sources and assumptions, not only the final number.

How does limitation affect IPA-C06?

Classify the precise cause of action associated with dissolution, accounts and goodwill, record accrual, refusal, notice, acknowledgment and exclusion dates, and apply the correct Limitation Act article.

Can arbitration resolve every dispute arising under IPA-C06?

Arbitration may govern the forum, but it does not validate illegality, remove mandatory rules or make a non-arbitrable subject arbitrable. Check scope, seat and interim relief.

Which tax and entity overlays should be checked for IPA-C06?

Check Companies Act authority and related-party controls, partnership constitution, GST supply and invoice consequences, withholding, accounting and insolvency effects.

What is the final professional sign-off for IPA-C06?

Confirm the current statutory source, section conclusions, State variation, authority, calculation, limitation, remedy, forum and complete evidence trail.

Why is section 55 important to IPA-C06?

Section 55 (Sale of goodwill after dissolution) completes the chapter control and must be tested independently.

Official sources and verification status

- Indian Partnership Act, 1932 - India Code
- Official Gazette and applicable State/UT Gazette, Registrar and court portals.
- Review date: 2026-07-18.