

I'm not a robot





























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done acts or incurred obligations to third persons on behalf of his principal, the principal is bound by such acts or obligations if he has the words or conduct induced such third persons to believe that such acts and obligations were within the scope of the agent's representation made, or a fraud committed, by an agent acting in the course of his business for his principal, has the same effect on an agreement made by such agent as if such misrepresentation or fraud had been made or committed by the principal; but a misrepresentation made, or frauds committed, by an agent, in matters which do not fall within his authority, do not affect his principal. (1) "Partnership" is the relationship which subsists between persons carrying on business in common as defined with a view of profit.(2)Persons who have entered into partnership with one another are called collectively a "firm", and the name under which their business is carried on is called the "firm name". (1)The relationship of partnership arises from contract and not from status.(2)In determining whether a group, of persons is or is not a partnership, regard shall be had to the following rules(a)joint tenancy, tenancy in common, joint property, common property or part ownership does not of itself create a partnership as to anything so held or owned whether the tenants or owners do or do not share any profits made by the use thereof;(b)the sharing of gross returns does not of itself create a partnership, whether the persons sharing such returns have or have not a joint or common right or interest in any property from which or from the use of which the returns are derived;(c)the receipt by a person of a share of the profits of a business is prima facie evidence that he is a partner in the business, but receipt of such a share, or of a payment contingent on or varying with the profits of a business, does not of itself make him a partner in the business, and in particular the receipt of such share or payment(i)by a lender of money to persons engaged or about to engage in business;(ii)by a servant or agent as remuneration;(iii)by the widow or child of a deceased partner, as annuity; or(iv)by a previous owner or part owner of the business, as consideration for the sale of the goodwill or share thereof,does not of it-self make the receiver a partner with the persons carrying on the business.Partners are bound to carry on the business of the partnership for the greatest common advantage, to be just and faithful to each other, and to render true accounts and full information of all things affecting the partnership to any partner or his legal representatives.The mutual rights and duties of partners, whether ascertained by agreement or defined by this Act, may be varied by the consent of all of them, and such consent may either be express, or be implied from a uniform course of dealing.In the absence of any contract to the contrary, the rights and duties of the partners in relation to the partnership shall be determined by the following rules(a)every partner has a right to take part in the management of the partnership business;(b)any differences arising as to ordinary matters connected with the partnership business may be decided by a majority of all the partners, but no change may be made in the nature of the partnership business without the consent of all existing partners(c)every partner has a right to have access to and to inspect and copy any of the books of the firm;(d)a partner is not entitled to receive remuneration for taking part in the conduct of the business;(e)all partners are entitled to share equally in the capital and profits of the business, and, must contribute equally towards the losses, whether of capital or otherwise, sustained by the firm;(f)the firm must indemnify every partner in respect of payments made and personal liabilities incurred by him(i)in the ordinary and proper course of the business of the firm; and(ii)in or about anything necessarily done for the preservation of the business or property of the firm;(g)a partner shall indemnify the firm for any loss caused to it by his fraud or wilful neglect in the conduct of the business of the firm.(1)All property and rights and interests in property originally brought into the partnership stock or acquired by purchase or otherwise, on account of the firm, or for the purposes and in the course of the partnership business, including the goodwill of the business, are partnership property and must be held by the partners for the purposes of the partnership and in accordance with the partnership agreement, or failing such agreement, the provisions of this Act.(2)Unless the contrary intention appears, property and rights and interests in property acquired with money belonging to the firm are deemed to have been acquired on account of the firm.(3)Where land or any hereditible interest therein has become partnership property, it shall, unless the contrary intention appears, be treated as between the partners (including the representatives of a deceased partner), and also between the heirs of a deceased partner and his executors or administrators as personal or movable and not as real or hereditible estate.Subject to any contract between the partners(a)If a partner derives any profit for himself from any transaction of the firm, or from the use of the property or business connection of the firm or the firm name, he shall account for that profit and pay it to the firm;(b)If a partner carries on any business of the same nature as and competing with that of the firm, without the consent of the other partners, he shall account for and pay to the firm all profits made by him in that business.Where a partnership entered into for a fixed term be continued after such term has expired, the rights and obligations of the partners will in the absence of any agreement to the contrary, remain the same as they were at the expiration of the term, so far as such rights and obligations can be applied to a partnership dissolvable at the will of any partner.Subject to any contract between the partners, no person shall be introduced as a partner into a firm without the consent of all the existing partners.A partner may not be expelled from a firm by his partners unless a power to that effect has been expressly conferred by agreement between the partners.Where no fixed term has been agreed upon for the duration of the partnership, any partner may determine the partnership at any time on giving notice of his intention so to do to all the other partners.(1)Every partner is an agent of the firm and his other partners for the purpose of the business of the partnership; and the acts of every partner who does any act for carrying on in the usual way of business of the kind carried on by the firm bind the firm and his partners, unless, the partner so acting has in fact no authority to act for the firm in the particular matter, and the person with whom he is dealing either knows that he has no authority or does not know or believe him to be a partner.(2)In the absence of any usage or custom of trade or express authority to act for the firm, a partner is not an agent of the firm or his other partners to(a)submit a dispute relating to the business of the firm to arbitration;(b)open a banking account on behalf of the firm in his own name;(c)compromise or relinquish any claim or portion of a claim by the firm;(d)withdraw a suit or proceeding filed on behalf of the firm;(e)admit any liability in a suit or proceeding against the firm;(f)acquire immovable property on behalf of the firm;(g)transfer property belonging to the firm; or(h)enter into partnership on behalf of the firm.An act or instrument relating to the business of the firm done or executed in the firm name, or in any other manner showing an intention to bind the firm, is binding on the firm and all the partners:Provided that nothing in this section shall affect any general rule of law relating to the execution of deeds or negotiable instruments. Every partner is liable for all debts and obligations incurred while he is a partner in the usual course of business by or on behalf of the partnership. Every partner is liable to make compensation to third persons in respect of loss or damage arising or any penalty incurred(a)by any wrongful act or omission of any partner acting in the ordinary course of business of the firm, or with the authority of the other partners;(b)by any misapplication of any money or property received by a partner acting within the scope of his apparent authority;(c)by any misapplication by one or more of the partners of money or property received by the firm in the course of its business while in the custody of the firm.Where a partner, being a trustee, improperly employs trust property in the business or on account of the partnership, no other partner is liable for the trust property to the persons beneficially interested therein:Provided that(a)this section shall not affect any liability incurred by any partner by reason of his having notice of a breach of trust;(b)nothing in this section shall prevent trust money from being followed and recovered from the firm if still in its possession or under its control.Everyone who by words spoken or written or by conduct represents himself, or who knowingly suffers himself to be represented, as a partner in a particular firm, is liable as a partner to anyone who has on the faith of any such representation given credit to the firm, whether the representation has or has not been made or communicated to the person so giving credit by or with the knowledge of the apparent partner making the representation or suffering it to be made:Provided that, where, after a partner's death, the partnership business is continued in the old firm's name, the continued use of that name or of the deceased partner's name as part thereof shall not of itself make his executors or administrators estate or effects liable for any partnership debts contracted after his death.Notice to any partner who habitually acts in the partnership business of any matter relating to partnership affairs operates as notice to the firm, except in the case of a fraud on the firm committed by or with the consent of that partner. (1)A person who is admitted as a partner to an existing firm does not thereby become liable to the creditors of the firm for anything done before he became a partner. (2)A partner who retires from the firm does not thereby cease to be liable for partnership debts or obligations incurred before his retirement. (3)A retiring partner may be discharged from any existing liabilities by an agreement to that effect between himself and the members of the firm as newly constituted and the creditors and this agreement may be either express or implied as a fact from the course of dealing between the creditors and the firm as newly constituted.A continuing guarantee, given either to a firm or to a third person, in respect of the transactions of a firm, is, in the absence of agreement to the contrary, revoked as to future transactions by any change in the constitution of the firm to which, or in respect of the transactions of which, such guarantee was given. (1)An assignment by any partner of his share in the partnership, either absolute or by way of mortgage or redeemable charge, does not, as against the other partners, entitle the assignee, during the continuance of the partnership, to interfere in the management or administration of the partnership business or affairs or to require any accounts of the partnership transactions or to inspect the partnership books, but entitles the assignee only to receive the share of profits to which the assigning partner would be otherwise entitled, and the assignee must accept the account of profits agreed to by the partners. (2)In the case of a dissolution of the partnership, whether as respects all the partners or as respects the assigning partner, the assignee is entitled to receive the share of the partnership assets to which the assigning partner is entitled as between himself and the other partners, and, for the purpose of ascertaining; that share, to an account as from the date of dissolution. A person who is a minor according to the law to which he is subject is not competent to be a partner in a firm. (1)Subject to any agreement between the partners, a partnership is dissolved(a)if entered into for a fixed term, by the expiration of that term;(b)if entered into for a single venture or undertaking, by the termination of that venture or undertaking;(c)if entered into for an undefined time, by the partner giving notice to the other or others of his intention to dissolve the partnership. (2)Where a partnership is dissolved by notice under paragraph (c) of subsection (1), the partnership is dissolved as from the date mentioned in the notice as the date of dissolution, or, if no date is so mentioned, as from the date of the communication of the notice. (1)Subject to any agreement between the partners, a partnership is dissolved as regards all the partners by the death or bankruptcy of any partner. (2)A partnership may, at the option of the other partners, be dissolved if any partner suffers his share of the partnership property to be charged under rule 48 of Order XXI of the First Schedule to the Civil Procedure Code. A partnership is in every case dissolved by the happening of any event which makes it unlawful for the business of the firm to be carried on or for the members of the firm to carry it on in partnership. On application by a partner, the court may decree a dissolution of the partnership in any of the following cases(a)when a partner becomes of unsound mind;(b)when a partner becomes incapable of performing his part of the partnership contract;(c)when a partner, other than the partner suing has been guilty of such conduct as, in the opinion of the court, regard being had to the nature of the business, is calculated to prejudicially affect the carrying on the business;(d)when a partner other than the partner suing, willfully and persistently commits a breach of the partnership agreement, or otherwise so conducts himself in matters relating to the partnership business that it is not reasonably practicable for the other partner or partners to carry on the business in partnership with;(e)when the business of the partnership can only be carried on at a loss;(f)whenever in any case circumstances have arisen which, in the opinion of the court, render it just and equitable that the partnership be dissolved. (1)When a person deals with a firm after a change in its constitution he is entitled to treat all apparent members of the old firm as still being members of the firm until he has notice of the change. (2)An advertisement in the Gazette shall be notice as to persons who had no dealings with the firm before the date of the dissolution or change so advertised. (3)The estate of a person who dies, or who becomes bankrupt, 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 for partnership debts contracted after the date of the death, bankruptcy or retirement respectively. On the dissolution of a partnership or retirement of a partner, any partner may notify the same, and may require the other partner or partners to concur for that purpose in all proper and necessary acts, if any, which cannot be done without his or their concurrence. After the dissolution of a partnership, the rights and obligations of the partners continue in all things necessary for winding up the business of the partnership, and to complete transactions begun but unfinished at the dissolution, but not otherwise: Provided that, the firm is in no case bound by the acts of a partner who has become bankrupt; but this proviso does not affect the liability of any person who has, after the bankruptcy represented himself or knowingly suffered himself to be represented as a partner of the bankrupt. On the dissolution of a partnership, every partner is entitled, as against the other partners in the firm, and all persons claiming through them in respect of their interests as partners, to have the property of the partnership applied in payment of the debts and liabilities of the firm, and to have the surplus assets after such payment applied in payment of what may be due to the partners respectively after deducting what may be due from them as partners to the firm; and for that purpose any partner or his representatives may, on the termination of the partnership, apply to the court to wind up the business and affairs of the firm. Where one partner has paid a premium to another on entering into a partnership for a fixed term, and the partnership is dissolved before the expiration of that term otherwise than by the death of a partner, the court may order the repayment of the premium, or of such part thereof as it thinks just, having regard to the terms of the partnership contract and to the length of time during which the partnership has continued unless(a)the dissolution is, in the judgment of the court, wholly or chiefly due to the misconduct of the partner who paid the premium; or (b)the partnership has been dissolved by an agreement containing provision for a return of the premium or any part thereof. Where a partnership contract is rescinded on the ground of the 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 the surplus of the partnership assets, after satisfying the partnership liabilities, for any sum of money paid by him for the purchase of a share in the partnership and for any capital contributed by him;(b) to stand in the place of the creditors of the firm for any payments made by him in respect of the partnership liabilities; and (c) to be indemnified by the person guilty of the fraud or making the representation against all the debts and liabilities of the firm. Where any member of a firm has died or otherwise ceased to be a partner, and the surviving or continuing partners carry on the business of the firm with its capital or assets without any final settlement of accounts as between the firm and the outgoing partner or his estate, then, in the absence of any agreement to the contrary, the outgoing partner or his estate is entitled at the option of himself or his representatives to such share of the profits made since the dissolution as the court may find to be attributable to the use of his share of the partnership assets, or to interest at the rate of five per centum per annum on the amount of his share of the partnership assets: Provided that, where, by the partnership contract, an option is given to surviving or continuing partners to purchase the interest of a deceased or outgoing partner, and that option is duly exercised, the estate of the deceased partner, or the outgoing partner or his estate, as the case may be, is not entitled to any further or other share of profits; but if any partner assuming to act in exercise of the option does not in all material respects comply with the terms thereof, he is liable to account under the foregoing provisions of this section. Subject to any agreement between the partners, the amount due from surviving or continuing partners to an outgoing partner or the representatives of a deceased partner in respect of the outgoing or deceased partner's share is a debt accruing at the date of the dissolution or death. In settling accounts between the partners after dissolution of partnership, the following rules shall, subject to any agreement, be observed(a) losses, including losses and deficiencies of capital, shall be paid first out of profits, next out of capital, and lastly, if necessary, by the partners individually in the proportion in which they were entitled to share profits;(b) the assets of the firm including the sums, if any, contributed by the partners to make up losses or deficiencies of capital, shall be applied in the following manner and order(i) in paying the debts and liabilities of the firm to persons who are not partners therein;(ii) in paying to each partner rateably what is due from the firm to him for advances as distinguished from capital;(iii) in paying to each partner rateably what is due from the firm to him in respect of capital;(iv) the ultimate residue, if any, shall be divided among the partners in the proportion in which profits are divisible. 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, then 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. Extraordinary partnerships, such as incorporated partnership and joint-stock companies, shall be regulated by the law for the time being in force relating thereto. Disapplication of the Indian Contract Act, 1872 and amendment of the Indian Acts (Application) Ordinance. Transitional provisions.

**What is the purpose of a civil action as it relates to contract law. Contract law explained. What is section 35 of the contract and commercial law act. What is law of contract. What is a cause of action in contract law.**