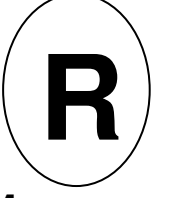




CNR: KAHC020118312026

NC: 2026:KHC-D:13943
WP No. 106286 of 2026

**IN THE HIGH COURT OF KARNATAKA AT DHARWAD
DATED THIS THE 27TH DAY OF AUGUST, 2026
BEFORE**



**THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM
WRIT PETITION NO. 106286 OF 2026 (GM-ST/RN)**

BETWEEN:

M/S. Y. MAHABALESHWARAPPA AND SONS,
A PARTNERSHIP FIRM,
HAVING REGISTERED OFFICE AT NO.44,
3RD CROSS, PARVATHI NAGAR,
BALLARI-583103,
REPRESENTED BY ITS MANAGING DIRECTOR,
MR. Y.HARISH.

... PETITIONER

(BY SRI. M.S. MATHAPATI, ADVOCATE)

AND:

THE DISTRICT REGISTRAR,
BALLARI DISTRICT,
STATION ROAD,
BALLARI-583101.

... RESPONDENT

(BY SRI. SHARAD V. MAGADUM, AGA)

THIS WRIT PETITION IS FILED UNDER ARTICLE 226 OF
THE CONSTITUTION OF INDIA, PRAYING TO ISSUE A WRIT,
ORDER OR DIRECTION IN THE NATURE OF CERTIORARI OR
ANY OTHER WRIT QUASHING THE LETTER DATED 15.06.2026
BEARING NO.KRA.SANKYE/SAMSTHE/211/1955-56
(ಕ್ರ.ಸಂಖ್ಯೆ/ಸಂಸ್ಥೆ/211/1955-56) ISSUED BY THE RESPONDENT VIDE
ANNEXURE-A AND ETC.,





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THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

ORAL ORDER

(PER: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM)

The captioned petition is filed by the petitioner-firm calling in question the letter dated 15.06.2026 issued by the respondent, whereby the request of the petitioner to record the change in the constitution of the firm has been declined on the premise that the reconstituted partnership deed does not bear the signature of the outgoing partner. The petitioner has also sought a consequential direction to the respondent to record the reconstitution of the firm pursuant to Form-V dated 12.06.2026 in accordance with the provisions of the Indian Partnership Act, 1932 and the Karnataka Partnership Rules, 1954 (for short, 'the Rules').

FACTS:

2. The petitioner is a registered partnership firm carrying on the business of mining under the name and style of 'Y. Mahabaleshwarappa and Sons'.



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3. The firm was reconstituted pursuant to a reconstitution deed dated 26.11.2025. Under the said reconstitution, Mr. Y. Harish, the Managing Partner, Ms. Jyothi and Ms. Ria were the continuing partners, whereas Mr. Y. Satish ceased to continue as a partner of the firm.

4. The background to the reconstitution is that disputes had arisen between Mr. Y. Satish and his family on the one hand and Mr. Y. Harish and his family on the other. The disputes resulted in institution of several proceedings. One such proceeding, namely, Com.O.S.No.382/2021 instituted by Mr. Y. Satish, was ultimately resolved by way of settlement and a compromise petition was filed in the said proceedings, incorporating the terms of settlement, including the arrangement concerning the constitution of the petitioner-firm.

5. It is the specific case of the petitioner that the partners had approached the respondent through their Chartered Accountant for notifying the change in the constitution of the firm and for incorporating the same in the Register of Firms. Necessary forms and supporting documents were submitted.



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6. The respondent, however, by communication dated 03.12.2025, declined to make the necessary entry on the ground that the signature of the outgoing partner was not available. The petitioner was consequently constrained to approach this Court in W.P.No.101299/2026. This Court, by order dated 09.03.2026, allowed the petition and directed the respondent to consider the petitioner's application in accordance with law.

7. Pursuant thereto, the respondent issued a memorandum acknowledging receipt of the documents and proceeded with the recording of the reconstitution. Thereafter, consequent upon the death of one of the erstwhile partners and the resulting change in the constitution of the firm, the Managing Partner again approached the respondent for recording the change. Form-V dated 12.06.2026 was submitted along with the requisite documents.

8. The respondent, however, once again declined to proceed with the request. The reason assigned in the impugned letter dated 15.06.2026 is that the reconstituted partnership deed does not bear the signature of the outgoing partner,



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Shri Y. Satish, and that further action would be taken if his signature is obtained and filed.

9. It is this communication which is assailed in the present petition.

10. The translated version of the impugned communication reads thus:

"Regarding the above subject and reference, application was submitted on 12-06-2026 by Y. Mahabaleshwarappa and Sons Firm on 26-11-2025. It is hereby informed that the reconstituted partnership deed entered into on, along with Form V, has been submitted and changes have been requested. The said application and attachments have been examined and it has been found that the said reconstituted partnership document does not contain the signature of the outgoing partner, Shri Y. Satish. Therefore, further action will be taken if the said signature is obtained and filed with this office."

11. Learned counsel appearing for the petitioner would contend that the reason assigned by the respondent is wholly



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extraneous to the statutory scheme contained in Section 63 of the Indian Partnership Act, 1932.

12. It is submitted that Section 63 specifically contemplates that when a change occurs in the constitution of a registered firm, any incoming, continuing or outgoing partner may give notice of such change to the Registrar. Therefore, the statute itself does not insist that the notice should emanate from all the partners or that the outgoing partner should necessarily subscribe his signature to the notice or reconstitution deed.

13. It is further contended that Section 63 casts a corresponding statutory obligation upon the Registrar by providing that the Registrar "shall make a record of the notice" in the entry relating to the firm in the Register of Firms.

14. According to learned counsel, the respondent has, by the impugned communication, introduced a condition which finds no place either in the Act or in the Rules. The respondent has thereby travelled beyond the statutory jurisdiction vested in him.



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15. It is also submitted that the Registrar is not competent to adjudicate upon the validity of the reconstitution or the inter se disputes between the partners. If the outgoing partner disputes the reconstitution, such dispute may be agitated before the competent forum; but that cannot be a ground for refusing to discharge the ministerial/statutory obligation under Section 63.

16. Learned counsel would therefore seek quashing of the impugned communication and a direction to the respondent to record the change in accordance with law.

17. In the light of the rival contentions, the following question arises for consideration:

Whether the respondent-Registrar is justified in refusing to record the change in the constitution of the petitioner-firm solely on the ground that the outgoing partner has not signed the reconstituted partnership deed?

18. Section 63(1) of the Indian Partnership Act, 1932 reads as follows:



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"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."

19. The provision admits of little ambiguity. The legislature has consciously employed the expression **"any incoming, continuing or outgoing partner"**. It has not employed the expression **"all the partners"**. It has not stipulated that the notice must be signed by the outgoing partner.

20. It has not made the recording of the change conditional upon the consent of the outgoing partner. It has also not conferred upon the Registrar the power to insist upon



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such consent before acting upon a notice otherwise submitted in accordance with law.

21. The expression **"any"** occurring in Section 63 is not without significance. Where the legislature intended the participation of every partner, it could have expressly so provided. Instead, the provision identifies three distinct categories of partners in coming, continuing and outgoing and enables any one of them to give notice of the change. The provision is thus designed to facilitate the updating of the Register of Firms when the constitution of a registered firm changes.

22. If the interpretation suggested by the respondent is accepted, an outgoing partner, merely by withholding his signature, could prevent the Registrar from recording a change in the constitution of the firm. Such an interpretation would introduce a veto in favour of the outgoing partner which is conspicuously absent from Section 63. The Court cannot supply such a veto by judicial interpretation when the legislature has not provided for one.



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MANDATE CONTAINED IN THE WORD "SHALL"

23. The matter does not end there. After identifying the persons who may notify the change, Section 63 provides that the Registrar ***"shall make a record of the notice"***.

24. The legislative command is therefore twofold. First, a change in the constitution of a registered firm may be notified by any incoming, continuing or outgoing partner. Second, upon receipt of such notice, the Registrar is required to make a record of the notice in the entry relating to the firm. The statute does not state that the Registrar may record the notice if the outgoing partner has signed the document. It does not state that the Registrar shall record it only after obtaining the consent of the outgoing partner. The obligation imposed upon the Registrar is to record the notice. This distinction assumes considerable importance.

RECORDING IS NOT ADJUDICATION

25. The respondent appears to have proceeded on the assumption that before recording the change, it must be established that the outgoing partner has consented to the reconstitution.



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26. Such an approach conflates two entirely different exercises. The first is recording the notice of a change in the constitution of the firm. The second is adjudicating whether the change is legally valid and binding upon every person affected by it. The first function is expressly contemplated by Section 63. The second is not conferred upon the Registrar by the said provision.

27. The Register of Firms is intended to reflect the constitution of a registered firm as notified in accordance with law. The statutory act of recording the notice cannot be converted into a proceeding for determination of contested civil rights.

28. If an outgoing partner asserts that he has not consented to the reconstitution, or that the deed is not binding upon him, or that the reconstitution has been brought about without authority, those are matters which may require adjudication before the competent forum. But the existence of such a possible dispute cannot enlarge the jurisdiction of the Registrar.



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**REGISTRAR CANNOT INTRODUCE AN ADDITIONAL
CONDITION**

29. The impugned communication proceeds entirely on the ground that the outgoing partner's signature is absent. The respondent has not referred to any provision of the Act or the Rules which makes such signature mandatory. This omission is significant. A statutory authority must trace the source of its power to the statute. Equally, a statutory authority cannot impose a condition which the statute does not contemplate. The respondent is not exercising a general administrative power to approve or disapprove a reconstitution. The respondent is exercising a specific statutory function under the Partnership Act. The scope of that function is therefore controlled by the statutory language. The Court cannot permit the Registrar to enlarge that statutory function by prescribing an additional condition of his own.

NO POWER TO VETO THE RECONSTITUTION

30. The impugned communication, in substance, confers upon the outgoing partner a power to prevent recording



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of the change. The practical consequence of the respondent's interpretation is that:

- i. if the outgoing partner signs, the change will be recorded;
- ii. if the outgoing partner refuses to sign, the change will not be recorded.

31. Such a consequence finds no support in Section 63. The legislature has deliberately enabled an incoming partner, a continuing partner or an outgoing partner to give notice. This necessarily means that the statutory process cannot depend upon the concurrence of all three categories.

32. To hold otherwise would render the words "any incoming, continuing or outgoing partner" substantially otiose. An interpretation which gives effect to every part of the statutory provision must necessarily be preferred over one which introduces a condition inconsistent with its express language.



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THE ROLE OF THE REGISTRAR

33. The Registrar's role under Section 63 is therefore limited, though statutory. The Registrar must examine whether the notice is one contemplated by the Act and whether the prescribed procedural requirements have been complied with. If there is a genuine statutory deficiency, the Registrar can certainly call upon the applicant to cure the same. But the Registrar cannot decline to record a statutory notice merely because a person whose status is shown as having ceased to be a partner has not signed the document.

34. More importantly, the Registrar cannot undertake an adjudication into the disputed rights of the parties under the guise of examining the notice. The impugned letter does not identify any statutory defect except the absence of the outgoing partner's signature. That ground is plainly insufficient.

EFFECT OF RECORDING

35. It is also necessary to clarify the legal consequence of recording a change. Recording the change in the Register of Firms does not, by itself, constitute an adjudication that the



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reconstitution deed is valid and binding upon every person who disputes it. Therefore, there is no legitimate basis for the respondent's apprehension, if any, that recording the change would finally determine the rights of the outgoing partner. The Registrar is merely required to discharge the statutory obligation of maintaining the Register in accordance with the notice received under Section 63.

36. If the outgoing partner has an independent claim against the firm or continuing partners, the recording of the change does not prevent him from pursuing such claim before the competent forum. Conversely, the possibility of such proceedings cannot be used to obstruct the statutory recording mechanism.

37. The circumstances of the present case also require consideration in the backdrop of the earlier proceedings. The petitioner had already approached this Court in W.P.No.101299/2026 when the respondent declined to act upon the earlier request on the ground relating to the absence of the outgoing partner's signature. This Court, by order dated 09.03.2026, directed the respondent to consider the



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petitioner's application in accordance with law. Thereafter, the respondent proceeded with the recording of the reconstitution. The subsequent request submitted in Form-V dated 12.06.2026 has again been met with the very same objection.

38. It is possible that the respondent may have proceeded on the footing that recording a reconstitution without the signature of the outgoing partner could result in complications or disputes. That, however, cannot furnish a legal basis for refusing to act. The respondent is bound by the statute and not by apprehension of possible litigation. If the legislature has prescribed the manner in which a change is to be notified and recorded, the Registrar must follow that mechanism. Administrative convenience cannot override statutory command. Likewise, apprehension of an inter se dispute cannot be converted into an additional statutory requirement.

39. There is nothing on record to indicate that the respondent has identified any fresh statutory impediment to recording the change. The impugned letter merely reiterates the requirement of the outgoing partner's signature. The



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respondent was required to examine the request in the light of Section 63 and the Rules. Having failed to identify a statutory provision requiring such signature, the impugned action cannot be sustained.

40. **CONCLUSION:**

- a. The statutory scheme under Section 63 is clear.
- b. When a change occurs in the constitution of a registered firm, any incoming, continuing or outgoing partner may notify such change to the Registrar.
- c. Upon receipt of such notice, the Registrar shall make a record of the notice in the entry relating to the firm.
- d. The provision does not make the outgoing partner's consent or signature a condition precedent.
- e. The respondent, therefore, was not justified in refusing to act upon Form-V dated 12.06.2026 solely because the outgoing partner had not signed the reconstituted partnership deed.



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- f. The impugned letter is consequently contrary to the express language of Section 63 and cannot be sustained.
- g. It is, however, made clear that this Court has not adjudicated upon the validity, enforceability or binding nature of the reconstitution deed dated 26.11.2025. Any such dispute, if raised, is left open to be determined by the competent forum in accordance with law.

41. For the foregoing reasons, following;

ORDER

- (i) The writ petition is ***allowed***.
- (ii) The letter dated 15.06.2026 issued by the respondent is hereby quashed and set aside.
- (iii) The respondent is directed to reconsider Form-V dated 12.06.2026 submitted by the petitioner for recording the change in the constitution of the firm.
- (iv) The respondent shall not insist upon the signature or consent of the outgoing partner as a condition



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precedent for recording the change, since no such requirement is contemplated under Section 63 of the Indian Partnership Act, 1932.

(v) If the petitioner has otherwise complied with the statutory requirements under the Act and the Karnataka Partnership Rules, 1954, the respondent shall record the notice of change in the constitution of the firm in the Register of Firms in accordance with Section 63 of the Act.

(vi) The aforesaid exercise shall be completed within four weeks from the date of receipt of a certified copy of this order.

(vii) It is clarified that the recording of the change shall not be construed as an adjudication by the Registrar, or by this Court, upon the inter se rights of the outgoing partner and the continuing/incoming partners, nor shall it preclude any party from pursuing an appropriate remedy before the competent forum in accordance with law.



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(viii) All contentions of the parties on the validity, enforceability or binding nature of there constitution deed are left open.

No order as to costs.

(SACHIN SHANKAR MAGADUM)
JUDGE

VNP
CT:BCK
LIST NO.: 1 SL NO.: 73