LEGAL NOTICE TO PARTNER

Demand for Partnership Accounts, Disclosure of Records and Reimbursement of Unaccounted Funds — India

Important: Adapt this template to the partnership deed and verified facts. Use it for a partnership firm governed by the Indian Partnership Act, 1932—not automatically for an LLP or company. Avoid stating fraud, theft or misappropriation as an established fact unless supported by evidence. A legal notice does not by itself extend limitation.

1. Particulars

Date	[DD/MM/YYYY]
From	[Partner's name, address, email and mobile]
To	[Partner's name and address]
Firm	[Firm name, principal place of business and registration details, if any]
Partnership deed	[Date of deed and amendments/reconstitution deeds]
Noticee's role	[Managing partner / partner handling accounts / other]
Disputed period	[Financial year(s) / dates]
Amount claimed	[Provisional amount, basis and supporting schedule]

2. Notice

To,
[Name of partner]
[Address]

Subject: Notice calling for true accounts, inspection/disclosure of firm records and resolution of unaccounted partnership funds

Sir/Madam,

I am a partner of [firm name] under the partnership deed dated [date], as amended by [details]. The firm carries on the business of [business] from [address]. My agreed share in profits/losses and capital/management rights are set out in clause(s) [number] of the deed.

During [period], you have been responsible for / had access to [bank accounts, books, cash collections, invoices, payment systems or other records]. Despite requests dated [dates], the following matters remain unexplained: [identify specific entries, withdrawals, missing receipts, diverted business receipts, withheld profit share or refusal to provide records; state dates, amounts and source documents]. A transaction-wise schedule is attached as Annexure A.

The Indian Partnership Act, 1932 requires partners to act justly and faithfully and render true accounts and full information affecting the firm (section 9). Section 12(d) recognises each partner's right to access, inspect and copy the firm's books, subject to the deed. Section 16 requires a partner, subject to contract, to account to the firm for personal profits derived from firm transactions, property, business connection or firm name. Section 10 and section 13(f) may apply where loss is caused by fraud or wilful neglect, as established on the evidence. The partnership deed and applicable law govern the precise rights and remedies.

This notice is not a finding that any disputed transaction was fraudulent. It is issued to obtain a complete explanation and reconciliation, preserve the firm's assets and resolve the accounting dispute. You are requested to preserve all original books, vouchers, invoices, bank statements, emails, accounting-software records and electronic communications relating to the firm.

Accordingly, you are called upon to:

1. Within [15] days of receipt, provide a complete statement of firm accounts for [period], including ledgers, trial balance, profit-and-loss account, balance sheet, bank statements, cash book, invoices, receipts, tax filings and supporting vouchers;
2. Permit inspection and copying of the firm's books and records at a mutually agreed date and provide access to the accounting software / records under the deed and section 12(d);
3. Explain each transaction listed in Annexure A and identify the payee, business purpose, authorisation and supporting document;
4. Reconcile firm receipts, withdrawals, advances, capital accounts, partner drawings and profit distributions, and pay/reimburse any amount found due to the firm or to me under the deed and final reconciliation;
5. Refrain from further unauthorised withdrawals, disposal of firm assets, alteration/deletion of records or diversion of firm receipts, without prejudice to lawful business operations and the deed;
6. Attend a meeting with the partners / accountant on [date or proposed window] to complete reconciliation and record agreed action points.

If the matter is not resolved, I reserve the right to pursue appropriate civil remedies, including an action for accounts, recovery, injunction, dissolution or winding-up where legally available, and other relief under the deed and applicable law. If the firm is dissolved, settlement of accounts is governed by section 48, subject to the partnership contract. Any arbitration clause or agreed dispute-resolution procedure will be invoked in accordance with its terms.

Please note that the registration status of the firm may affect maintainability of certain contractual claims under section 69 of the Partnership Act; statutory exceptions apply, including specified proceedings concerning dissolution, accounts of a dissolved firm and realisation of its property. Limitation must be assessed separately for each relief. Article 5 of the Limitation Act, 1963 prescribes three years for an account and share of profits of a dissolved partnership, running from dissolution. This notice is not intended to waive or extend any limitation period.

This notice is issued without prejudice to all rights and remedies. Please respond in writing to [address/email] within the period stated above.

Yours faithfully,

[Signature]
[Name of partner]
[Date]

3. Suggested annexures

• Partnership deed and amendments / reconstitution deeds.
• Firm registration certificate / Registrar of Firms extract, if available.
• Transaction-wise schedule of disputed entries, with dates and amounts.
• Relevant bank statements, ledger extracts, invoices, receipts and earlier requests/replies.
• Proof of service of this notice.

4. Before sending

Verify the exact legal status of the business. If it is an LLP, the Limited Liability Partnership Act, 2008 and LLP agreement apply; if it is a company, company law and governance documents apply. Do not threaten criminal proceedings merely because accounts are disputed. A criminal complaint should be considered only where facts and evidence independently satisfy the elements of a specific offence. Send the notice by a reliable mode and retain the signed copy, dispatch receipt, tracking and delivery proof.

Primary references for review: Indian Partnership Act, 1932 (sections 9–16, 46–48 and 69); Limitation Act, 1963 (Article 5); Supreme Court judgments in Prem Ballabh Khulbe v. Mathura Datt Bhatt (1966), Saligram Ruplal Khanna v. Kanwar Rajnath (1974) and V. Anantha Raju v. T.M. Narasimhan (2021).