Chapter IV — Partners and Their Relations

Chapter in 2 minutes

- Translate the LLP agreement into enforceable governance, admission, exit, contribution, profit-sharing and filing controls.
- The stamped/filed agreement, not an informal understanding, must drive economic, governance and exit rights.
- Read every section with the amended Rules, current MCA form and the LLP agreement.
- Authority, source evidence, State stamp/registration and cross-law effects are separate closing gates.
- A portal acknowledgement is evidence of filing—not a substitute for legal accuracy or complete transaction documentation.

Mandatory execution gates

- Current Act + amended Rule/form
- Agreement and authority
- State stamp/registration
- Tax/GST/FEMA/IBC overlay
- Evidence + filing acknowledgement
- Forum/limitation on default

Provision / control map

Provision	Subject	Control
22	Eligibility to be partners	Reconcile agreement, consent, authority, valuation, payment/vesting, capital account, tax and statutory filing.
23	Relationship of partners	Draft reserved matters, authority, contributions, distributions, conflicts, exits, defaults, valuation and dispute clauses expressly.
24	Cessation of partnership interest	Coordinate deed, settlement, authority revocation, bank/portal access, customer notice, Form 4 and Form 3 changes.
25	Registration of changes in partners	Use a change-control checklist that blocks payment/authority handover until consent, agreement update and statutory filing are aligned.

Evidence file

Stamped agreement; consents/KYC; approvals; forms/attachments; SRN/challan; books/bank/tax; contracts and delivery; notices/orders; source/version log.

Default response

Stop continuing loss; legal hold; verify authority and facts; issue notice; correct public records; calculate exposure; preserve mitigation; select statutory/ADR forum.