

STRIKE OFF PROCEDURE FOR A LIMITED LIABILITY PARTNERSHIP (LLP) UNDER THE LLP ACT, 2008

- Where a LLP was formed for carrying out any commercial activity including providing services, and where such LLP ceases to carry out any activity for a period of one year or more or from the date of incorporation or from the end of the last financial year, shall make an application to the concerned ROC for striking off the LLP from the Register of LLP.
- As per Section 63 of the Limited Liability Partnership Act, 2008 and Rule 37 of the Striking off Name of Defunct LLP, where the LLP is not carrying any business for two or more years the Registrar suo moto will strike off the LLP.
- Where the LLP has not conducted any business or is defunct for a period of one year it can **voluntarily** make an application in **Form 24** for striking off its name from register with the consent of **all the Partners**. The registrar shall send a notice to the LLP and all its partners of his intention to strike off the name of the LLP and requesting them to send in their representations along with copies of relevant documents, if any within a period of one month from the date of notice.
- Where the LLP is regulated under a special law, the application for removal of its name from the register shall be accompanied by approval from regulatory body constituted under that law.
- If a dormant or non-functioning LLP does not respect the law, the officers of the LLP may face severe fines, penalties and punishments, including the Directors/Partners being debarred from creating other LLP. As a result, it is preferable to officially dissolve an inactive LLP in order to avoid future fines and liabilities.
- The date of cessation shall be the date from which the LLP **ceased to carry on its revenue generating business** and the transactions such as receipt of money from debtors or payment of money to creditors, subsequent to such cessation will not form part of revenue generating business.

BEFORE FILLING THE APPLICATION CERTAIN PRE-CONDITIONS ARE TO BE FULFILLED:

➤ **Approval for Strike Off:**

- A meeting of Partners shall be called and approval/consent shall be obtained for making an application.

➤ **Consent of Partners:**

- Consent of all the Partners shall be obtained before filling Form 24

➤ **Close all its bank accounts:**

- The LLP shall close all its bank accounts and obtain a document evidencing closure of Bank Account.

➤ **No Liabilities shall exist:**

- There shall be no Liabilities existing as on the date of filling of Form 24

➤ **Shall File Overdue returns:**

- The LLP shall file all previous pending Annual Returns upto the date of filling of the Form 24 i.e. Form 8 and Form 11.

➤ **IT Returns:**

- The LLP shall have filed IT returns

➤ **Initial Agreement:**

- Initial agreement shall be available even if not filed under Form 3 of the LLP Act.

Documents needed for filling Form 24:

1. Authority to make application - Duly signed by all Partners
2. Acknowledgement of latest Income tax return - Self explanatory
3. Detailed Application - mention full details of limited liability partnership plus reasons for closure.
4. A statement of accounts disclosing Nil assets & NIL Liabilities which is certified by a CA made upto a date not more than 30 days of the date of filling of Form 24.
5. Initial Limited Liability Agreement, if entered into and not filed along with changes thereof
6. An affidavit signed by designated partners, either severally or jointly
7. An Indemnity bond
8. Consent of Partners and creditors
9. Form 8 and Form 11 forms and receipt
10. Bank Account closure receipt/acknowledgement
11. CTC of the resolution passed at the meeting of Partners.