

General Circular No. 2/2016

F.No.1/13/2012 CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhavan
Dr. R.P.Road, New Delhi-110001
Dated: 15th January, 2016

All the RDs
All the ROCs/OLs All stakeholders

Subject: Whether Hindu Undivided Family (HUF)/ its Karta can become partner /Designated Partner (DP) in Limited Liability Partnership (LLP)

Sir,

Reference is invited **General Circular No. 13/2013** wherein, in paragraph 2, it has been clarified that 'as per section 5 of LLP Act; 2008 only an individual or body corporate may be a partner in a Limited Liability Partnership. A HUF cannot be treated as a body corporate for the purposes of LLP Act, 2008. Therefore, a HUF or its Karta cannot become partner or designated partner in LLP'.

2. However, the clarification inadvertently does not mention partner in the last sentence of the paragraph quoted above which has been pointed out by a stakeholder. It is hereby clarified that a HUF or its Karta cannot become partner or designated partner in LLP.

3. This issues with the approval of the Secretary, MCA.

Yours faithfully,

(Kamna Sharma)

Deputy Director

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

Lunawat & Co.

Chartered Accountants

E-mail: ca@lunawat.com, lunawat@vsnl.com.

Website: www.lunawat.com.