

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:896  
ANSWERED ON:17.08.2007  
POLICY ON LIMITED LIABILITY PARTNERSHIP  
Baxla Shri Joachim

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

- (a) whether the policy of Limited Liability Partnership (LLP) has been introduced in the country;
- (b) if so, the salient features of the policy; and
- (c) the likely economic benefit to the professionals/non-professionals under the policy?

**Answer**

MINISTER OF CORPORATE AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b): It is proposed to enable Limited Liability Partnerships (LLPs) to be formed and regulated in the country on the basis of legislation. The Government has introduced a Bill, namely, the Limited Liability Partnership (LLP) Bill, 2006 in the Rajya Sabha on 15th December, 2006. The Bill is under the consideration of Parliamentary Standing Committee on Finance.

(c): The Limited Liability Partnership (LLP) is viewed as an alternative corporate business vehicle that would provide the benefits of limited liability but allows its members the flexibility of organizing their internal structure as a partnership based on a mutually arrived agreement. Once the proposed legislation is enacted, this form would enable entrepreneurs, professionals and enterprises providing services of any kind or engaged in scientific and technical disciplines, to form commercially efficient vehicles suited to their requirements. Owing to flexibility in its structure and operation, the LLP would also be a suitable vehicle for small enterprises and for investment by venture capital.