

important one. So, that is being admitted for discussion under other provision. Farmers' agitation ...*(Interruptions)*... You cannot ask like this. ...*(Interruptions)*... I am trying to dispose of one after another. ...*(Interruptions)*... If you want all these notices to be disposed of, notices of Dr. V. Sivadasan, Shri Sukhendu Sekhar Ray, Shri Mallikarjun Kharge, Shri K.C. Venugopal, Shri Elamaram Kareem and Shri Binoy Viswam are not admitted. Now, there is an agreement on farmers' agitation and also about price rise and economic situation. ...*(Interruptions)*... The Government has also expressed its willingness to discuss it. ...*(Interruptions)*... Let's discuss farmers' issue; let's discuss economic situation, price rise and other issues. This is not the way; please go back to your seats. ...*(Interruptions)*... Please go back to your seats. ...*(Interruptions)*... All these Members who are in the Well of the House with placards, all of them are named. ...*(Interruptions)*... Under Rule 255, I direct these Members, who are in the Well of the House, to go back to their seats. ...*(Interruptions)*... Otherwise, you are named and you are suspended for the day. ...*(Interruptions)*... This is the decision of the Chair. ...*(Interruptions)*... Please obey the Chair and go back. ...*(Interruptions)*... This is not going on record. ...*(Interruptions)*... Whoever is in the Well, disobeying the Chair and then raising the placards, they are all asked to leave the House under Rule 255. ...*(Interruptions)*... You know if you disobey this, what will happen! You know it; I needn't tell this. ...*(Interruptions)*... The Secretariat will give the list. ...*(Interruptions)*... The House is adjourned to meet at 2.00 p.m.

*The House then adjourned at fourteen minutes past eleven of the clock.*

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*The House reassembled at two of the clock,*

MR. DEPUTY CHAIRMAN *in the Chair*

## GOVERNMENT BILLS

### **The Limited Liability Partnership (Amendment) Bill, 2021**

MR. DEPUTY CHAIRMAN: The Limited Liability Partnership (Amendment) Bill, 2021...*(Interruptions)*... माननीय सदस्यगण, मैं आपसे अनुरोध कर रहा हूँ कि आप सब अपनी-अपनी सीट्स पर वापस जायें। ...*(व्यवधान)*... माननीय चेयरमैन साहब ने बहुत स्पष्ट रूलिंग दी है। ...*(व्यवधान)*... कृपया प्लेकार्ड्स लेकर हाउस में, वेल में ऐसा प्रदर्शन न करें, जो संसदीय आचरण के रूल 235 के खिलाफ हो। ...*(व्यवधान)*... Please go back to your seats. ...*(Interruptions)*... Please go back to your seats. ...*(Interruptions)*... Hon.

Members, please go back to your seats. ...(Interruptions)... Persons, who are standing with placards, please go back to your seats. ...(Interruptions)... Please go back to your seats. ...(Interruptions)... Persons standing in the Well with placards, please go back to your seats. ...(Interruptions)... Again I urge you, please go back to your seats. ...(Interruptions)... The Limited Liability Partnership (Amendment) Bill, 2021...(Interruptions)... Shrimati Nirmala Sitharaman to move the motion for consideration of the Limited Liability Partnership (Amendment) Bill, 2021. ...(Interruptions)...

THE MINISTER OF FINANCE; AND THE MINISTER OF CORPORATE AFFAIRS (SHRIMATI NIRMALA SITHARAMAN): Sir, I move:

That the Bill to amend the Limited Liability Partnership Act, 2008, be taken into consideration.

*The question was proposed.*

MR. DEPUTY CHAIRMAN: Motion moved. Any Member desiring to speak may do so after which the Minister will reply. ...(Interruptions)... Shri Sujeet Kumar.

SHRI SUJEET KUMAR (Odisha): Sir, the LLP has been a very popular structure across the globe including in our country for corporate entities in the service sector, for entities in the MSME sector and particularly for the startups. ...(Interruptions)...

**श्री उपसभापति:** माननीय सुजीत कुमार जी, सिर्फ आप ही की बात रिकॉर्ड पर जा रही है।  
...(व्यवधान)...

SHRI SUJEET KUMAR: The Amendments are in the right direction and are subsequent to a comprehensive review. So, we support the Bill. At the outset, I would like to compliment the Government and the hon. Minister for de-criminalising 12 compoundable offences where there is no intent to defraud or where it is not against the public interest. ...(Interruptions)... I think this will help law-abiding LLPs, particularly in the MSME sector. ...(Interruptions)... It will also foster Ease of Doing Business in the MSMEs. ...(Interruptions)... And, the other notable feature of the Amendment is that the maximum punishment has been increased from two years to five years. ...(Interruptions)... The LLPs which have an intent to defraud the creditors, I think, this will work as a deterrent for LLPs with bad intentions. ...(Interruptions)... Now, there is a clear distinction between honest LLPs and LLPs with bad intentions. ...(Interruptions)... Most importantly, I think, this will

decongest our overcrowded criminal justice system. ...*(Interruptions)*... Pendency in our courts is one of the key reasons for our being at the bottom in the Ease of Doing Business ranking. So, I think, this measure particularly will greatly help in improving our Ease of Doing Business, which is part of generating more jobs, which is part of helping the MSMEs, which will boost employment and also increase our GDP. ...*(Interruptions)*...

The second most notable feature of the Amendment Bill is to come up with something called 'small LLPs'. If we can have small companies, why can't we have small LLPs? ...*(Interruptions)*... So, I would like to thank the hon. Finance Minister for bringing in this concept of small LLPs because as I said, mostly, startups go for the LLP structure. ...*(Interruptions)*... So, small LLPs require less regulation. They have less penalty and less regulatory hassles. So, this will definitely encourage the startup ecosystem in our country and significantly help in creating more entrepreneurs, creating more jobs and again boosting the employment. ...*(Interruptions)*...

To conclude, I would say that this Bill is in the right direction. It will help the LLPs become more transparent, of course, with greater oversight. It is in the nation's interest. I think, the amendment will make LLP a further more attractive vehicle for startups and entities in the service sector. ...*(Interruptions)*... I have just one request to make to the hon. Minister. Income tax for corporate sector has been reduced from 30 to 25 per cent. I request the Minister to give the same treatment to the LLPs. Of course, for the startups, there is reduced income tax but kindly see if it can be extended to LLPs generally. ...*(Interruptions)*... I think, a larger number of MSMEs, who are non-startups, are also registered as LLPs. It will greatly help the LLPs generally and help in improving the economy of the country. ...*(Interruptions)*... In the end, I would say that we welcome the Bill as it is in the right direction. Thank you.

DR. BANDA PRAKASH (Telangana): Respected Deputy Chairman, Sir, I thank you for giving me the opportunity to speak on the Limited Liability Partnership (Amendment) Bill, 2021. ...*(Interruptions)*... Sir, this Act provides for regulation of limited liability partnership. ...*(Interruptions)*... An LLP is an alternative corporate body to traditional partnership firms. ...*(Interruptions)*... Under the LLP, a partner's liabilities are limited to their investments in the business.

The Bill converts certain offences into civil defaults and changes the nature of punishment for these offences. ...*(Interruptions)*... It defines the small LLP.

...(Interruptions)... It provides for appointment of certain adjudicating officer. The Government of India has constituted a Committee ...(Interruptions)...

**श्री उपसभापति:** जो सदस्य बोल रहे हैं, उनके पीछे जाकर आप रूल 235 का violation कर रहे हैं, कृपया रूल 235 का violation न करें।

DR. BANDA PRAKASH: Certain offences have been decriminalized. ...(Interruptions)... Change of name of LLP. ...(Interruptions)...

**श्री उपसभापति:** माननीय शमशेर सिंह ढुलो, आप पीछे जाकर placard लेकर खड़े हैं, कृपया आप ऐसा न करें। आप रूल 235 का violation कर रहे हैं।

DR. BANDA PRAKASH: The Bill provides for formation of... ...(Interruptions)... Even though this Bill ...(Interruptions)... there are some limitations. ...(Interruptions)... Any act of the partners without other partner may bind the LLP. ...(Interruptions)... LLP cannot raise money from the public. Secondly, angel investors and venture capital firms generally prefer not to invest in LLPs. ...(Interruptions)... With these words, while supporting the Bill, I conclude my speech. Thank you.

DR. M. THAMBIDURAI (Tamil Nadu): Mr. Deputy Chairman, Sir, I thank you for giving me the opportunity to participate in the discussion on the Limited Liability Partnership (Amendment) Bill, 2021. ...(Interruptions)... Sir, I congratulate the hon. Prime Minister and the Finance Minister for having brought this amendment. The Limited Liability Partnership (Amendment) Bill, 2021 is a welcome Bill. ...(Interruptions)...

Sir, you know very well the economic situation of the country at present. ...(Interruptions)... Priority must be to start more industries and give employment opportunities. ...(Interruptions)... What this Government is doing is appreciable. ...(Interruptions)... Sir, there are so many problems, which the partnership companies are facing, and, that is why they are suffering. ...(Interruptions)... After getting to know their feelings, the Government has come forward with this amendment. ...(Interruptions)... Because of this, one key change would be restricting the number of LLPs in which one can be a designated partner. Right now, there is no such limit. The other big change is lifting the corporate veil on LLPs. ...(Interruptions)... They will have to disclose the financial beneficiary. ...(Interruptions)... It will boost the Ease of Doing Business for many start ups who prefer the LLP model. Sir, the impact of the proposed amendments is this.

...(Interruptions)...The changes will have a positive impact on the functioning and operational efficiency of LLPs as powers of key commercial and management decisions vest with the designated partner. ...(Interruptions)...Because of the efforts made by the hon. Prime Minister and the Finance Minister, we are hoping that more industries will come up, especially partnership... ...(Interruptions)...Therefore, I once again support the Bill. ...(Interruptions)...

SHRI VENKATARAMANA RAO MOPIDEVI (Andhra Pradesh): Thank you, Sir, for giving me the opportunity to participate in the discussion on the Limited Liability Partnership (Amendment) Bill, 2021. ...(Interruptions)...At the outset, I would like to state that we fully support the Bill as it decriminalises minor offences and promotes Ease of Doing Business. ...(Interruptions)... It is of utmost importance for our State of Andhra Pradesh as despite losing the highly-developed cyber hub of Hyderabad to the bifurcation of the State, Andhra Pradesh still ranks first among all the States in India on the sub-national Ease of Doing Business ranking by the NITI Aayog. ...(Interruptions)...The Business Reforms Action Plan, 2019 contains a list of 80 reforms in which Andhra Pradesh has achieved 100 per cent compliance. ...(Interruptions)...It shows our Chief Minister, Shri Y.S. Jagan Mohan Reddy's commitment to make Andhra Pradesh most sought-after investment destination in India. ...(Interruptions)...LLP is a hybrid model of partnership and limited liability firms with flexibility around management and ownership. ...(Interruptions)...It has advantages of being a body corporate but allows smaller entrepreneurs... ...(Interruptions)...

Sir, decriminalisation of 12 minor offences related to non-compliance is now to be converted into civil offences and to be shifted to an in-house adjudication mechanism for resolution. ...(Interruptions)...This is a very positive development as it allows disputes to be nipped in the bud and not add more caseload to the judiciary and also saves resources of the Government that it would have to spend on litigation fees. ...(Interruptions)...

This Bill promises to be a boost to the startup ecosystem by letting LLPs with a turnover of Rs. 5 to 50 crores to opt for the small LLP structures. ...(Interruptions)... This enhanced threshold will allow for more firms to avail the benefits of operating as LLP and will ease the post-pandemic stress of firms. ...(Interruptions)...

The Committee appointed by the Ministry of Corporate Affairs that submitted its report in January, 2021 also recommended that LLPs be allowed to issue debt securities like non-convertible debentures regulated by either SEBI or RBI. ...(Interruptions)...This can allow a lot more money to flow into infrastructure as in

India because of regulatory reasons, several projects are executed by Special Purpose Vehicles in the form of LLP. ...(*Interruptions*)...Entities under the Companies Act were enjoying the prescribed standard accounting practices, which will now also be available to those operating under the companies. ...(*Interruptions*)...The simpler rules we make, the more we encourage people aspiring to operate small businesses to convert their entities into body corporate. ..(*Interruptions*).. This encourages formalization of the economy and will increase our tax base. ...(*Interruptions*)... I applaud the Government for their consistent efforts to streamline our business environment on a continuous basis. ...(*Interruptions*)...

SHRI JOHN BRITTAS (Kerala): Sir, I stand to oppose the Bill. ...(*Interruptions*)...

**श्री उपसभापति :** प्लीज़, अपने विषय पर बोलें, तभी रिकॉर्ड पर जाएगा। ...(**व्यवधान**)... ऑनरेबल जॉन ब्राइटस। ...(**व्यवधान**)... प्लीज़, प्लीज़ ...(**व्यवधान**)...

SHRI JOHN BRITTAS: Sir, I stand to oppose the Bill. ...(*Interruptions*)...

**श्री उपसभापति :** अगर आप इस विषय पर बोलेंगे, तभी रिकॉर्ड पर जाएगा, otherwise रिकॉर्ड पर नहीं जाएगा। ...(**व्यवधान**)...

**श्री जॉन ब्राइटस :** सर, विषय पर ही है। ...(**व्यवधान**)... विषय पर ही है। ...(**व्यवधान**)... Sir, I want to speak on this Bill. ...(*Interruptions*)... Please allow me. ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN: Please speak on the subject. ...(*Interruptions*)... If you speak on the subject only then will it be recorded. ...(*Interruptions*)... Please speak. ...(*Interruptions*)...

SHRI JOHN BRITTAS: Yes, Sir. ...(*Interruptions*)... Why don't you allow me? ...(*Interruptions*)... You should allow me. ...(*Interruptions*)...

MR. DEPUTY CHAIRMAN: Please speak. ...(*Interruptions*)...

SHRI JOHN BRITTAS: I am speaking, Sir. ...(*Interruptions*)... Sir, this Government has finished off the companies. ...(*Interruptions*)... Now they are going to finish off the LLPs. They are finishing off the country ...(*Interruptions*)...\*

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\* Not recorded.

MR. DEPUTY CHAIRMAN: No, you are not speaking on the subject. ...*(Interruptions)*... Prof. Ram Gopal Yadav. ...*(Interruptions)*... Prof. Ram Gopal Yadav. ...*(Interruptions)*... Shri Ram Nath Thakur. ...*(Interruptions)*... Hon. Members, if you are not speaking on the subject which is being discussed under Rule 240 you will not be allowed, your speech will not be recorded. ...*(Interruptions)*...

**श्री राम नाथ ठाकुर (बिहार) :** उपसभापति महोदय, मैं इस बिल का समर्थन करता हूँ। ...*(व्यवधान)*... फ्रॉड करने पर सज़ा को बढ़ाकर पाँच वर्ष किया गया है। ...*(व्यवधान)*... उसे खत्म कर दिया गया है। ...*(व्यवधान)*... मैं इस बिल का समर्थन करता हूँ। ...*(व्यवधान)*...

MR. DEPUTY CHAIRMAN: Dr. Fauzia Khan. ...*(Interruptions)*... Not there. ...*(Interruptions)*... Shri Kanakamedala Ravindra Kumar.

SHRI KANAKAMEDALA RAVINDRA KUMAR (Andhra Pradesh): Sir, the Bill provides for the formation of LLPs. ...*(Interruptions)*... There is a provision for standard accounting...*(Interruptions)*... The Central Government will prescribe the LLPs...*(Interruptions)*... There is a provision for imprisonment in case of fraud. ...*(Interruptions)*... Compounding of offences is there. ...*(Interruptions)*... It also has a provision for establishment of special courts. ...*(Interruptions)*... By virtue of these Amendments, this will come into effect...*(Interruptions)*... The Limited Liability Partnership Act was of 2008...*(Interruptions)*... It could not generate much response. ...*(Interruptions)*... By virtue of these amendments, it will come into effect. ...*(Interruptions)*... Therefore, I support this Bill. I welcome this Bill. I am supporting this Bill. Thank you, Sir.

**श्री उपसभापति :** श्री सुशील कुमार गुप्ता। ...*(व्यवधान)*... कृपया आप सब्जेक्ट, The Limited Liability Partnership (Amendment) Bill, 2021 पर ही बोलें, तभी आपकी बात रिकॉर्ड पर जाएगी। ...*(व्यवधान)*...

**श्री सुशील कुमार गुप्ता (राष्ट्रीय राजधानी क्षेत्र दिल्ली) :** उपसभापति महोदय, मैं यह कहना चाहता हूँ कि ये जो The Limited Liability Partnership (Amendment) Bill, 2021 लाए हैं, इसे बिना सोचे-समझे लाए हैं। ...*(व्यवधान)*... जैसे बिना सोचे-समझे किसानों का...*(व्यवधान)*...

**श्री उपसभापति :** आप इस विषय पर नहीं बोल रहे हैं। ...*(व्यवधान)*... रूल 240 के तहत आपकी बात रिकॉर्ड पर नहीं जा रही है। ...*(व्यवधान)*... आप इस विषय पर नहीं बोल रहे हैं। ...*(व्यवधान)*...

**श्री सुशील कुमार गुप्ता: \***

**श्री उपसभापति :** श्री जी. के. वासन। ...*(व्यवधान)*...

SHRI G.K. VASAN (Tamil Nadu): Sir, this is an important Bill. ...*(Interruptions)*... It is the need of the hour. ...*(Interruptions)*... The Opposition is making din in the House. ...*(Interruptions)*... I will give my suggestion in writing to the hon. Minister.

SHRIMATI NIRMALA SITHARAMAN: Sir, I thank Shri Sujeet Kumar, Dr. Banda Prakash, Dr. M. Thambidurai, Shri Venkataramana Rao Mopidevi, Shri Ram Nath Thakur, Shri Kanakamedala Ravindra Kumar, Shri Sushil Kumar Gupta, Shri G.K. Vasan and Shri John Brittas for talking on the Bill and giving a lot of thoughts. ...*(Interruptions)*... I really appreciate the Members who supported us. ...*(Interruptions)*... Most of them...*(Interruptions)*... In fact, all of them have supported the Bill. ...*(Interruptions)*... It is a very timely Bill. ...*(Interruptions)*... It will help the Startups. ...*(Interruptions)*... It will also help a lot of the limited liability partnerships which are professionals. ...*(Interruptions)*... Chartered accountants, cost accountants...*(Interruptions)*... All of them will be benefited by Ease of Doing Business. It will also help them by removing the criminality which is the most important aspect for Ease of Doing Business. ...*(Interruptions)*... Sir, because of the environment, I am not getting into the details. ...*(Interruptions)*... Certainly, it is going to bring a lot more positivity in the LLP ecosystem. ...*(Interruptions)*... Cost accountants and chartered accountants will immensely benefit. ...*(Interruptions)*... So will the startups. ...*(Interruptions)*... So, I would appeal to the entire House to support this Bill, take it into consideration and pass it. ...*(Interruptions)*....

MR. DEPUTY CHAIRMAN: The question is:

"That the Limited Liability Partnership (Amendment) Bill, 2021 be taken into consideration."

*The motion was adopted.*

MR. DEPUTY CHAIRMAN: We shall now take up Clause-by-Clause consideration of the Bill. ...*(Interruptions)*...

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\* Not recorded.



*Clause 2 was added to the Bill.*

MR. DEPUTY CHAIRMAN: Now, Clause 3. In Clause 3, there is one Amendment (No.1) by Shrimati Nirmala Sitharaman.

### **CLAUSE 3 -- AMENDMENT OF SECTION 2**

SHRIMATI NIRMALA SITHARAMAN: Sir, I move:

- (1) That at page 2, lines 9 to 12, be *deleted*.

*The question was put and the motion was adopted.*

*Clause 3, as amended, was added to the Bill.*

*Clauses 4 to 26 were added to the Bill.*

MR. DEPUTY CHAIRMAN: Now, Clause 27. In Clause 27, there are two Amendments; Amendments (Nos.2 and 3) by Shrimati Nirmala Sitharaman.

### **CLAUSE 27 -- AMENDMENT OF SECTION 79**

SHRIMATI NIRMALA SITHARAMAN: Sir, I move:

- (2) That at page 10, lines 43 to 47, be *deleted*.  
 (3) That at page 11, lines 1 to 4, be *deleted*.

*The question was put and the motion was adopted.*

*Clause 27, as amended, was added to the Bill.*

**श्री उपसभापति :** वेल में खड़े होकर आप 'No' नहीं कर सकते। ...(व्यवधान)... अगर आप division चाहते हैं, तो अपनी सीट पर जाइए, मैं division के लिए तैयार हूँ। ...(व्यवधान)...

*Clauses 28 and 29 were added to the Bill.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

MR. DEPUTY CHAIRMAN: Now, Shrimati Nirmala Sitharaman to move that the Bill, as amended, be passed.

SHRIMATI NIRMALA SITHARAMAN: Sir, I move:

"That the Bill, as amended, be passed."

*The question was put and the motion was adopted.*

### **The Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021**

MR. DEPUTY CHAIRMAN: Now, the Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021. Shrimati Nirmala Sitharaman to move a motion for consideration of the Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021.

SHRIMATI NIRMALA SITHARAMAN: Sir, I rise to move:

"That the Bill further to amend the Deposit Insurance and Credit Guarantee Corporation Act, 1961, be taken into consideration."

*The question was proposed.*

MR. DEPUTY CHAIRMAN: Any Member desirous to speak may do so. ...(Interruptions)... Afterwards, the Minister will reply. ...(Interruptions)... Mr. Deepender Hooda. ...(Interruptions)...

**श्री दीपेन्द्र सिंह हुड्डा :** \*

**श्री उपसभापति :** आप केवल विषय पर बोल सकते हैं। ...(व्यवधान)... आप the Deposit Insurance and Credit Guarantee Corporation (Amendment) Bill, 2021 पर बोलिए। ...(व्यवधान)... आप रूल 240 के तहत नियम का violation कर रहे हैं। ...(व्यवधान)... It is not allowed. It is not going on record. ...(Interruptions)... डा. अमर पटनायक ...(व्यवधान)... सिर्फ डा. अमर पटनायक की बात रिकॉर्ड पर जाएगी। ...(व्यवधान)...

DR. AMAR PATNAIK (Odisha): Sir, I stand to support the Bill because it is one of the outstanding attempts at saving the small depositors' interest. ...(Interruptions)...

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\* Not recorded.