

## **Draft notification for eligible corporate debtors under Section 55 (2) of IBC, 2016**

The provisions of Fast Track Corporate Insolvency Resolution Process shall be applicable on the following class of Corporate persons: -

- I. Small company – As defined under subsection (85) of section 2 of the Companies Act, 2013.
- II. The Company/LLP which has borrowed money not exceeding Rs.2 Crores in any manner.
- III. Start-ups in DIPP notification no 180 (E) dated 17.02.2016

Definitions as referred above:

- i. **Small company:** As per subsection 85 of Section 2 of companies Act, 2013, a small company means a company, other than a public company:-
  - a) Paid up capital of which does not exceed fifty lac rupees or such higher amount as may be prescribed which shall not be more than five crore rupees; or
  - b) Turnover of which as per its last profit and loss account does not exceed two crores rupees or such higher amount as may be prescribed which shall not be more than twenty crores rupees.

Provided that nothing in this clause shall apply to:-

- a) A holding company or a subsidiary company
  - b) A company registered under section 8; or
  - c) A company or body corporate governed by any special Act.
- i. **Start-ups:** As per DIPP notification no. 180 (E) dated 17.02.2016, an entity shall be considered as a 'startup'-
    - a) Up to five years from the date of its incorporation/registration.
    - b) If its turnover for any of the financial years has not exceed Rupees 25 crore, and
    - c) It is working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property;

Provided that any such entity formed by splitting up or reconstructing of a business already in existence shall not be considered a 'startup';

