

## **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

Provided that in conducting a fast track corporate insolvency resolution process under these regulations:

- (a) The words “corporate insolvency resolution process” in the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall be substituted by “fast track corporate insolvency resolution process”.
- (b) The following explanation shall be added to Regulations 5 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process of Corporate persons ) Regulations, 2016:  
  

*“Explanation-For the purpose of this Regulation, it is clarified that any debt extended by any person providing financial services which is in compliance with any law for the time being in force in relation to such deb shall in no event be considered as an extortionate credit transaction.”; and*
- (c) The words “section 12” in sub regulation (1) of regulation 39 and sub regulation (1) of regulation 40 respectively of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process of Corporate persons ) Regulations, 2016 shall be substituted with “section 56”.