

Faster Exit for Startups

Excerpts from the Insolvency and Bankruptcy Code, 2016:

CHAPTER IV	
FAST TRACK CORPORATE INSOLVENCY RESOLUTION PROCESS	
55.	Fast track corporation insolvency resolution process.
56.	Time period for completion of fast track corporate insolvency resolution process.
57.	Manner of initiating fast track corporate insolvency resolution process.
58.	Applicability of Chapter II to this Chapter.

FAST TRACK CORPORATE INSOLVENCY RESOLUTION PROCESS	
Fast track corporation insolvency resolution process.	<p>55. (1) A corporate insolvency resolution process carried out in accordance with this Chapter shall be called as fast track corporate insolvency resolution process.</p> <p>(2) An application for fast track corporate insolvency resolution process may be made in respect of the following corporate debtors, namely:—</p> <p>(a) a corporate debtor with assets and income below a level as may be notified by the Central Government; or</p> <p>(b) a corporate debtor with such class of creditors or such amount of debt as may be notified by the Central Government; or</p> <p>(c) such other category of corporate persons as may be notified by the Central Government.</p>
Time period for completion of fast track corporate insolvency resolution process.	<p>56. (1) Subject to the provisions of sub-section (3), the fast track corporate insolvency resolution process shall be completed within a period of ninety days from the insolvency commencement date.</p> <p>(2) The resolution professional shall file an application to the Adjudicating Authority to extend the period of the fast track corporate insolvency resolution process beyond ninety days if instructed to do so by a resolution passed at a meeting of the committee of creditors and supported by a vote of seventy five percent of the voting share.</p>

Code is available at

<http://www.prsindia.org/administrator/uploads/media/Bankruptcy/Bankruptcy%20Code%20as%20passed%20by%20LS.pdf>