

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
STARRED QUESTION NO 150
ANSWERED ON FRIDAY, THE 10TH MARCH, 2017
[PHALGUNA 19, 1938 (SAKA)]**

SIMPLIFIED PROCEDURES FOR START UPS

***150 SHRI BAIJAYANT JAY PANDA:**

Will the Minister of CORPORATE AFFAIRS

कारपोरेट कार्य मंत्री

be pleased to state:

- (a) whether there are proposals to simplify the winding up process for start ups and if so, the details thereof;**
- (b) whether there are also proposals to tackle the rising number of start ups applying for classification as dormant companies and if so, the details thereof; and**
- (c) whether there are mechanisms already in place to investigate the start ups in view of reports of rising practice of filing annual records and tax returns essentially for the non-functional start ups and if so, the details thereof?**

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(कारपोरेट कार्य मंत्री)

(श्री अरूण जेटली)

(a) to (c): - A statement is laid on the Table of House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE
STARRED QUESTION NO. 150 FOR ANSWER IN LOK SABHA ON
10.03.2017**

(a)The Insolvency and Bankruptcy Code, 2016 (Code) was notified on 28.05.2016. The provisions regulating the Insolvency Resolution and Liquidation of Corporate Persons, which include Companies and Limited Liability Partnerships (LLPs), are contained in Part-II of the Code and have been commenced with effect from 01.12.2016 and 15.12.2016 respectively. The Code provides that resolution plan for corporate debtor should be finalised within 180 days from the insolvency commencement date. The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 were also notified on 15.12.2016 by Insolvency and Bankruptcy Board of India, which simplify the process of liquidation. The provisions are applicable for the Startups which are registered as companies or LLPs.

(b)No, Madam.

(c)No such reports have been received. However, Companies Act, 2013 has the necessary provisions to investigate any non-compliance.
