

## The Insolvency and Bankruptcy Code, 2016

### Part-II Insolvency Resolution and Liquidation for Corporate Persons

#### Chapter-I Preliminary

##### Section 4: Application of this Part.

\*4. (1) This Part shall apply to matters relating to the insolvency and liquidation of corporate debtors where the minimum amount of the default is one lakh rupees:

Provided that the Central Government may, by notification<sup>1</sup>, specify the minimum amount of default of higher value which shall not be more than one crore rupees.

<sup>2</sup>[Provided further that the Central Government may, by notification<sup>3</sup>, specify such minimum amount of default of higher value, which shall not be more than one crore rupees, for matters relating to the pre-packaged insolvency resolution process of corporate debtors under Chapter III-A.]

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##### Reference

\*[Effective from](#) 01.12.2016.

1. Increase Limit to Rs. 1 crore vide [MCA Notification S.O. 1205\(E\) dated 24.03.2020](#).
  2. Ins. by the [Insolvency and Bankruptcy Code \(Amendment\) Act, 2021](#), w.e.f. 04.04.2021.
  3. Central Government vide [Notification No. S.O. 1543\(E\) dated 9th April, 2021](#) specifies **ten lakh rupees** as the minimum amount of default for the matters relating to the pre-packaged insolvency resolution process of corporate debtor under Chapter III-A of the Code.
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