



Period of lockdown not to be counted for timelines in relation to liquidation process

The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("**Liquidation Regulations**") sets out timelines with respect to the different activities/steps to be undertaken by a liquidator in connection with the liquidation process of a corporate debtor. However, due to the lockdowns imposed on account of COVID-19, liquidators were finding it difficult to fulfil their duties and complete the steps within the timelines set out in the Liquidation Regulations.

The Insolvency and Bankruptcy Board of India ("**IBBI**") has, therefore, issued a notification, dated 17 April 2020, whereby a new regulation 47A has been inserted in the Liquidation Regulations. As per this regulation 47A, the period of lockdown imposed by the Central Government in the wake of COVID-19 shall not be counted for the purposes of computation of the timelines for any task, in relation to any liquidation process, which could not be completed due to the lockdown.

It is important to note that the IBBI had earlier granted relaxation in computing timelines for various activities related to corporate insolvency resolution process on account of lockdown imposed by Central Government. By inserting this new regulation a similar relief has now been granted in relation to the liquidation process as well.

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Clasis Law supports 'Stay Home, Stay Safe' initiative to fight against pandemic COVID-19 crisis. We continue business as usual and our attorneys and staff are available to provide our clients uninterrupted service. Please do not hesitate to reach out with questions or concerns at any time. We hope that you and your family remain healthy and safe throughout this global health challenge.

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