DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (CORPORATE LAW)

Academic Year: 2024-2025

Third Semester Repeat Examination (May, 2025)

2.3.10. Insolvency Law and Bankruptcy

Duration of the Examination: 2 ½ hours **Total Marks: 70 marks**

INSTRUCTIONS TO CANDIDATES

a) **Read the instructions carefully and adhere to the same.**
b) **Please mention your DDE ID No. date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.**
c) **The questions to be interpreted as given and no clarification can be sought from the Invigilator.**
d) **Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.**
e) **Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.**
f) **Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.**
g) **Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.**

Section – A

Answer FIVE questions out of SEVEN questions and each question carries 10 marks. **(5 x 10 marks = 50 marks)**

1. Trace the steps in the making of a resolution plan.

2. Nami Ltd. had availed a loan from a public sector bank for procurement of new machinery by creating a security interest on its manufacturing unit. The loan was defaulted three years ago and the bank had sent many reminders. Frustrated with the attitude of Nami, the bank initiated an action under SARAFESI Act to enforce the security interest on the manufacturing unit. Nami filed an application in the NCLT for CIRP. Determine whether the application can be filed, if sa can it be admitted.

3. Explain the role, function and powers of IBBI.

4. Critically comment on the role of resolution professional in a CIRP. Do you think that the RP is overburdened? Can RP seek help from others to share the burder?

5. Enumerate the significant recommendations of the Bankruptcy Law Reforms Committee. Do you think that all the recommendations have been considered and enacted as a part of IBC, 2016?

6. Critically comment on the individual insolvency provisions and do you think that the application of law to personal guarantors is a gamechanger?

7. A CIRP for company named GUMAO Ltd., is admitted by the NCLT today. Answer the following questions:
   - **a.** When will the moratorium come into effect?
   - **b.** What happens to a pending property dispute in civil court against Gumao?
   - **c.** If the pending case is filed by Gumao, does have any special treatement?
   - **d.** What happens to an ongoing tax liability appeal concerning the amount of tax to be paid three financial years ago by Gumao?
   - **e.** Can the state electricity distribution department demand for payment of electricity charges which are pending and which might arise in future?

Section – B

Write short notes on any FOUR questions out of SIX questions and each question carries 05 marks. (4 x 5 marks = 20 marks)

- **A)** Information Utilities
- **B)** Avoidance Transactions
- **C)** Withdrawal of CIRP
- **D)** Operational Creditor
- **E)** Waterfall Mechanism
- **F)** Essential Services