DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (CORPORATE LAW)

Academic Year: 2024-2025

Third Semester - End Semester Examination (December, 2024)

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. **(5x10 Marks = 50 Marks)**

1. Discuss the overriding effect of IBC, 2016 with the help of relevant cases.

2. Kilimanjaro Ltd., is an Indian company incorporated to do the business of trekking and allied tourism. It is incorporated in 2014 and it was forecasted to reach the breakeven in 2022. Till 2020, it continued the business in spite of the losses with the hope of reaching breakeven, but it did not happen so due to covid and losses kept piling up.

   a. The BoD is planning to apply for CIRP and walk out of business. Explain the process and legalities involved. **(7 Marks)**
   b. Can the application filed be withdrawn? If so, what are the complications involved? **(3 Marks)**

3. Jawarino Ltd., is an Indian company incorporated for engaging in the business of pharmaceuticals. In 2013, Jawarino secured loans of Rs. 90 crores from Stable Bank of India, Rs. 70 crores from Bonney Bank of India and Rs. 160 crores from Pindicam Bank of India for acquiring an exclusive license of patented cancer drug from a US based company. In 2016, with the help of state government, Jawarino got a loan of Rs. 20 crores from state financial corporation for expansion of its bottling unit to meet the demand. Elttob Enterprises, a company engaged in the business of supplying empty vaccines vials entered into a agreement with Jawarino for the supply of vaccine vials for a period of 10 years with deferred payment arrangements.

Jawarino defaulted its obligation with state financial corporation. It filed an application for invoking IBC, 2016. As on date, the outstanding liabilities of Jawarino are as follows:

S.No.	Name of the Party	Amount Due along with interest (in INR)
1.	Stable Bank of India	65 crores
2.	Bonney Bank of India	35 crores
3.	Pindicam Bank of India	100 crores
4.	State Financial Corporation	14 crores
5.	Elttob Enterprises	2 crores
6.	XS power distribution company	0.85 crores

a. Determine the composition of CoC – **3 marks**
b. Examine the rights of Elttob? – **3 marks**
c. Explain the relationship between CoC and Adjudicating Authority under the IBC, 2016. – **4 marks**

4. Explain the liquidation process under IBC, 2016 with relevant examples and cases.

5. Examine the significance of recent amendments to IBC, 2016 with the help of relevant cases.

6. Assess the role of promoters and BoD during CIRP. Critically comment on the effectiveness of IBC, 2016 in ensuring that the promoters and BoD perform the expected role with the help of relevant provisions and cases.

7. Trace the history of Insolvency law in India.

SECTION B

Answer FOUR questions out of SIX questions and each question carries 05 marks. (4x5 Marks =20 Marks)

A. Explain the term ‘moratorium’.

B. Distinguish ‘financial creditor’ and ‘operational creditor’.

C. Write a short note on individual insolvency.

D. Contrast ‘debtor-in-possession’ vis-à-vis ‘creditor-in-control’.

E. Enumerate the powers of Liquidator.

F. Write a short note on IP/RP under IBC, 2016.