

HONS. 07 / 007/ 22

B.A., LL.B. (Hons.) DEGREE SEVENTH SEMESTER EXAMINATION, NOVEMBER 2022

LAW OF BANKRUPTCY AND INSOLVENCY

Time: 3 Hours

Maximum Marks: 50

PART A

(Answer *ANY FIVE* questions)

(5 X 4 = 20)

- I. Write a brief note on:
- (a) Financial debt
 - (b) Insolvency and Bankruptcy Fund
 - (c) Fresh start process
 - (d) Moratorium
 - (e) Liquidation value
 - (f) Resolution plan
 - (g) Preferential transactions
 - (h) Dissolution of corporate debtor

PART B

(Answer *ANY TWO* questions)

(2 X 6 = 12)

- II. The resolution professional refuses to place a resolution plan before the committee of creditors. Advise on the legality of the action and the remedies available to the affected parties.
- III. The liquidator challenges the purchase of the debtor company's land by a director during the previous year on the ground that it is a preferential transaction. The director defends the transaction claiming that it was done in the ordinary course of business to improve the liquidity available to the company and that the transaction is comparable with the fair value of land at that location. The land is no longer in the ownership of the director and has been sold to innocent third-party purchasers for value. Advise on the remedies available to all the parties involved.
- IV. The resolution professional is unable to receive any viable resolution plan within the statutorily available time period. The Committee of Creditors are willing to wait for another four more months since they understand that there are certain technical difficulties which are forcing the potential resolution applicants from coming forward with their resolution plans. Advise on the course to be adopted by the resolution professional in the given scenario.

PART C

(Answer *ANY TWO* questions)

(2 X 9 = 18)

- V. Critically examine the reasons for codification of the law on insolvency and bankruptcy.
- VI. Explain the procedure and order of precedent envisaged for distribution of assets of a corporate debtor in liquidation.
- VII. Explain the procedure envisaged for the voluntary liquidation of a corporate debtor.
