



UNIVERSITY OF PETROLEUM AND ENERGY
STUDIES

End Semester Examination, December 2021

Course: Insolvency and Bankruptcy Code (Hons 7)
Program: BBA LL.B (Hons.) (BFIT)
Course Code: CLBN5002

Semester: IX
Duration: 03 hrs. Max.
Marks: 100

Instructions:

1. Write the answers in own language with apt provisions and regulations with justification.
2. Substantiate your answers with apt cases and illustration.
3. Write proper question numbers and legible handwriting.

SECTION A
(Type the answers in test box)

Objective Type Questions/Definitions/fill in the blanks

5Q x2M=10 Marks

Q. No.		Marks	CO
1	Who is Resolution applicant?	2	CO1
2	Under IBC who can initiate CIRP?	2	CO1
3	IPR is appointed by which authority and within how many days?	2	CO1
4	How public announcement done by the IRP?	2	CO1
5	When is information memorandum prepared?	2	CO1

SECTION B
(Scan and upload)

(Conceptual based question)

4Q x5M=20 Marks

Q. No.		Marks	
1	Illuminate on the provision for Mutual Settlement after the Admission of a Case under the Code?	5	CO2
2	Who is the Adjudicating Authority of Corporate person under the IBC and how is the hierarchy of appeal?	5	CO2
3	Explain the Concept of 'Operational Debt' and 'Financial Debt' under the Corporate Insolvency Resolution Process?	5	CO2
4	Justify the Statement that IBC specifically precludes specified classes of persons from participating in the resolution process by virtue of section 29A?	5	CO2

SECTION-C
(Scan and upload)

(Descriptive/Analytical Questions)

2Qx10M=20 Mark

Q. No.		Marks	CO
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1	Axis company limited is the CD, which is a Micro, Small and Medium Enterprises who has committed a default of 14 lakh towards its creditors who are financial creditors. In the past three financial years they have not gone through any PPIR. nor they had initiated any CIRP in the past 3 years under IBC code. Substantiate whether Axis is eligible to apply for initiation of PPIRP? Further, also discuss the eligibility criteria under the code.	10	CO3
2	Elucidate the treatment of Home Buyers in the Corporate Insolvency Resolution Process and remedy available to them under the Code?	10	CO2

SECTION-D

(Scan and upload)

(Case Studies/ Application Based Questions)

2Qx25M =50 Marks

Q.No.		Marks	CO
1	<p>INSTA Pvt. Ltd is a registered company, which is going through the liquidation process. INSTA Pvt. Ltd had a debt of five crores. Wherein there is two banks who have given a loan. Bank Parimala has given 2 crore loan and Bank Krushi has given 1 crore. There are 3 non-financial creditors i.e. X, Y and Z who gave 2 crore altogether. X gave 70 Lakh, Y gave 80 Lakh and Z gave 50 Lakh. When INSTA Pvt. Ltd was under liquidation process they did not approve the plan as per the Regulation of IBBI and the Committee of creditors had failed to add this in the plan the liquidation cost. During the liquidation process there is 30 lakhs excess liquidation cost over the liquid assets. Now the question is how the Liquidator is going to call the Creditors for the excess liquidation cost of the liquid assets of INSTA Pvt. Ltd who is corporate debtor.</p> <p>a. How the liquidator is going to call for contribution of the excess liquidation cost amongst all the creditors? (10 marks)</p> <p>b. Which all creditors will be liable to contribute and why? (10 marks)</p> <p>c. Substantiate with applicable rules and section of IBC and IBBI? (5 marks)</p>	25	CO3
2	<p>ABC is the limited company that initiated a CIRP but due to failure Resolution plan, it went through the liquidation process. The liquidation process was completed as per Code and entire process was followed by the resolution professional step by step. ABC company had following dues against its different creditors as follow-</p> <p>a. Equity shareholders or partners dues of 8 lakh</p> <p>b. Insolvency resolution and liquidation cost 5 lakh</p> <p>c. Central and State government dues in form of revenue and bills of services</p> <p>d. Wages and unpaid dues to employees (other than workmen) 20 lakh</p> <p>e. Secured creditors 7 lakh</p> <p>f. Workmen's dues 20 lakh</p> <p>g. Other creditors and stakeholder 15 lakh</p> <p>Critically elaborate the waterfall mechanism and priorities given to different creditors and stakeholder in Insolvency Resolution Process and Liquidation with apt legal provisions and cases under the Code?</p>	25	CO3