


Name: Enrolment No:			
UPES End Semester Examination, May 2025			
Course: Insolvency and Bankruptcy Law Program: LLM Course Code: CLCL7010 100		Semester: II Time : 03 hrs. Max. Marks:	
Instructions: <ul style="list-style-type: none"> • All questions are compulsory. • For Section A, the Word Limit per Question is 30–50 words. For Section B, the Word Limit per Question is 100–120 words, For Section C, the Word Limit per Question is 200–250 words and For Section D, the Word Limit per Question is 500–600 words • Provide examples and cases where applicable to support your analysis. • Ensure clarity and coherence in your writing, maintaining an academic tone throughout. 			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q 1	Arnav, a practicing advocate, has noted that Zeta Pvt. Ltd. owes ₹7 crore to Delta Enterprises under a supply agreement. Zeta Pvt. Ltd. is now filing for insolvency. Are Arnav's observations in accordance with the IBC provisions? Examine.	2	CO1
Q 2	What is a mandatory prerequisite for the preparation of a resolution plan under the IBC? (a) Submission of a resolution plan by financial creditors (b) Valuation of liquidation estate by three registered valuers (c) Constitution of Committee of Creditors (d) Validation of default by one information utility	2	CO1
Q 3	Can an application for initiating fast track insolvency resolution process be filed in respect of Lambda Pvt. Ltd., an unlisted company having assets worth ₹1.05 crore as per its most recent audited financials? Explain.	2	CO1
Q 4	Who is Corporate Applicant as per provisions of the Code?	2	CO1
Q 5	Under the IBC, what is the time limit for operational creditors to submit their claims after the insolvency resolution process begins?	2	CO1
SECTION B (4Qx5M= 20 Marks)			
Q 6	Compare the key differences between financial creditors and operational creditors under the Insolvency and Bankruptcy Code, 2016? Highlight the rights of each during the CIRP.	5	CO2

Q 7	Discuss the various grounds for rejection of a resolution plan by the Adjudicating Authority under the IBC, 2016.	5	CO2
Q 8	Enumerate the essential components of a resolution plan as per the IBC. How does the CoC evaluate a resolution plan before recommending it for approval?	5	CO2
Q 9	Legal advisor of Orion Ltd. informed the board that voluntary liquidation cannot be initiated merely to avoid compliance costs, even if the company is not currently conducting business. Evaluate the correctness of this opinion in light of relevant legal provisions and case law.	5	CO2
SECTION-C (2Qx10M=20 Marks)			
Q 10	A lawyer advised Meena that if the Adjudicating Authority approves a resolution plan, such approval cannot be appealed. Is this advice valid as per the IBC? Critically analyze the legal provisions governing appeals to the NCLAT.	10	CO3
Q 11	Explain the principle of 'Centre of Main Interests' in cross-border insolvency. Why is it important in determining jurisdiction under international insolvency frameworks such as the UNCITRAL Model Law?	10	CO3
SECTION-D (2Qx25M=50 Marks)			
Q 12	<p>Sonal owns a small tailoring unit on the first floor of her residence located in a remote town of Odisha. She primarily stitches school uniforms for children. Due to a recent flood, all her equipment and raw materials were destroyed, causing complete disruption of her business and huge financial loss. Sonal had been financing her unit through personal savings and borrowings from neighborhood lenders. Her total outstanding borrowings currently stand at ₹48,000, including a ₹10,000 education loan she took for her younger son. Her annual income has never exceeded ₹55,000 and she owns only the house she lives in, valued at ₹25,000. Additionally, she is required to pay a penalty of ₹6,500 imposed by the local municipal body for non-compliance with fire safety norms, which remains unpaid. Considering her deteriorating financial position, she is contemplating applying to the Adjudicating Authority for a Fresh Start Process under the Insolvency and Bankruptcy Code, 2016. Her friend, Nitin—who is an accountant and resides in Bhubaneswar—has agreed to act as her resolution professional. However, Nitin has recently received a show cause notice from the Disciplinary Committee of the Insolvency and Bankruptcy Board of India for alleged misconduct in a separate case. Despite this, Nitin insists on taking up the case, claiming that it is a low-profile, personal matter and would not raise any complications.</p> <p>In light of the above facts, answer the following:</p> <p>a) Apply the legal procedure for initiating and conducting a Fresh Start Process under the Insolvency and Bankruptcy Code, 2016.</p>	25 (10+5+5+5)	CO4

	<p>b) Examine whether Sonal fulfills the eligibility criteria for filing an application for a Fresh Start Process.</p> <p>c) Calculate her total qualifying debt for the purpose of Fresh Start.</p> <p>d) assess the suitability of Nitin as a Resolution Professional in this matter, giving reasons with reference to the Code.</p>		
Q 13	<p>Shikhar, a practicing insolvency professional and ex-AGM of City Cooperative Bank, was appointed as IRP for Max Ltd. The bank recommended him due to his past performance. A CoC member raised concern about his prior association. During the first CoC meeting, Shikhar mentioned that the employment ended 6 years ago and need not be disclosed. In the same meeting, he proposed several technical experts for appointment, one of whom was his own son, Rahul, who offered services at a very nominal rate. Shikhar praised Rahul's credentials and argued that being a close contact was advantageous. Based on the above situation, critically evaluate whether Armaan's conduct as a Resolution Professional adheres to the principles of neutrality, independence, and professional ethics as prescribed under the Insolvency and Bankruptcy Code, 2016. Also examine whether his actions may lead to disqualification or breach of the Code of Conduct for Insolvency Professionals.</p>	25 (15+10)	CO4