

7 MAY 2025

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination Jan.-May. – 2025

Semester: UG VIII Semester (Business Law Hons.)

Subject: IBC Laws

Time: Three hours

Marks: 100

Instructions:

1. Students are required to answer any five questions only.
2. Use of bare acts or any reference material is not permitted.

Q.1 “The success of the Insolvency and Bankruptcy Code, 2016 does not rest on the statute alone, but on the effective functioning of a dynamic insolvency ecosystem comprising adjudicatory bodies, insolvency professionals, information utilities, and regulatory authorities. This institutional framework is essential to ensure time-bound resolution, transparency, and creditor confidence.” Critically analyse the role played by IBC ecosystem in the proper and efficient implementation of the code.

(Marks: 20)

Q.2). “In an effort to provide a faster, more debtor-friendly resolution mechanism for MSMEs while maintaining creditor oversight, the Insolvency and Bankruptcy Code, 2016 was amended to introduce the Pre-Packaged Insolvency Resolution Process (PPIRP) under Chapter III-A. However, the adoption and efficacy of the pre-pack mechanism remain limited.” Critically Comment. Also, evaluate whether the PPIRP has fulfilled its intended purpose, especially in the context of MSMEs

(Marks: 20)

Q.3). Mr. Ram Chandran, a prime financial creditor of a “ABC ltd” was continuously asking for the dues recovery from the company but since all his efforts has gone in vain, he filled an application to National Company Law Tribunal for initiating “Corporate Insolvency resolution Process (CIRP)” for non-payment of his dues for long time. The NCLT admitted the application and ordered for the commencement of CIRP. During the course of CIRP period the corporate debtor has agrees to settle the due of creditor and requested him to withdraw from CIRP process. Analysing the statement mentioned, explain whether the NCLT can allow for withdrawal of application admitted for CIRP proceeding. If yes, what are the requirements and different stages in which application can be withdrawn. Also explain the legal position related to withdrawal of application prior to the amendment.

(Marks: 20)



Q.4). During the CIRP process it is the foremost duty to preserve the structure of the corporation as a going concern. Also, in this vulnerable period a shield needs to be created via the medium of moratorium so as to preserve the value of the assets involved in the CIRP process. Critically Comment. Also, explain whether this an absolute principle or there are certain exceptions to this principle.

(Marks: 20)

Q.5). *"The Insolvency and Bankruptcy Code, 2016 has fundamentally altered India's insolvency regime by shifting from a 'Debtor-in-Control' model to a 'Creditor-In-Control' model. It emphasizes a time-bound resolution process, limits judicial intervention, and seeks to preserve the corporate debtor as a going concern. However, several provisions of the Code have faced constitutional scrutiny and have been challenged before various High Courts and the Supreme Court on grounds including violation of Article 14, Article 19(1)(g), and Article 21 of the Constitution."* In the light of above-mentioned statement analyse the constitutional validity of the code with the help of relevant case law/laws.

(Marks: 20)

Q.6). With the passage of time there has been an entire shift in the global market and thus it requires that India should adopt stringent legal mechanism so as to deal with Cross-Border insolvency issues. In the light of above-mentioned statement examine the loopholes and lacunae in the current framework. Also, explain the bypass method that is now used in India to handle these scenarios using pertinent statutory provisions and case laws.

(Marks: 20)