

NATIONAL LAW UNIVERSITY, DELHI
LL.M. (Professional), II -Semester (Batch of 2019)
Online Take Home Assessment- 2020
Paper: Insolvency and Bankruptcy Law

Time: 6:00 Hours

Total Marks: 50

Instructions:

1. Mail your assignments only to **submissions.llmpro@nludelhi.ac.in**
 2. All questions are compulsory.
 3. No clarification shall be sought on the question paper.
 4. **Mention only your Name, Roll No. subject name on First page. Start writing your answers from the second page only. Do not mention your name and roll no on any other page.**
 5. **Cite Decided cases from NCLT/NCLAT/SC in support wherever applicable. Open Book Exam, Participants may refer to Study Material, Bare Act, Recent Amendments.**
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1. Explain Avoidable, Preferential, Extortionate, fraudulent transactions. Discuss a leading case.
(15 Marks)

2. Explain 'dispute' and write a case note on *Mobilox Innovations Private Ltd v Kirusa Software Private Ltd* [(2018) 1 SCC 353].
(15 Marks)

3. Attempt **either ONE** of the following: - **(20 Marks)**

(a) Describe the norms regarding eligibility of Resolution Applicants u/s 29A of IBC 2016. Kindly discuss the relevant cases.

(b) Case Study on Kingflyers: -

"Kingflyers" is an Air charter company registered in India as a Private Limited Company under Companies Act 2013. The registered office is situated at Lucknow, the corporate office is located at New Delhi. Mr. Amit is the Promoter and Managing Director of Kingflyers. Mr. Kunal is another Promoter and serves as an Independent Director of Kingflyers. SAFE Bank has provided a loan of Rs. 10 crores to Kingflyers, in October 2014, against collateral of office space & aircraft. In September 2016, Kingflyers requested SAFE Bank for a further advance of Rs. 5 crores to purchase a helicopter. SAFE Bank asked Mr. Amit to act as a Guarantor for the said advance. In August 2017, Kingflyers was unable to service its loan obligations to SAFE Bank due to slump in business and reduced income. In November 2017, SAFE Bank, wants to proceed with available legal remedies against Kingflyers, Mr. Amit and Mr. Kunal.

AirKing, an Air Charter firm, makes a proposal to SAFE Bank in buying out Kingflyers at 50% haircut. Mr. Somesh is the Promoter and Managing Director of AirKing and is also the brother-in-law of Mr. Amit.

Suggest & Advise with the help of relevant provisions and case law: -

- (a) The Forum/ Adjudicatory Authority before whom the proceedings may be initiated?
- (b) The Rule/Provision/Legislation which governs the legal rights of the various parties.
- (c) Assuming Insolvency Application is admitted by the Adjudicatory Authority, can SAFE Bank invoke Guarantee provided by Mr. Amit?
- (d) Assuming, a Resolution Plan is moved by AirKing, as per above, what kind of weightage it is likely to receive by the Creditors Committee/ Resolution Professional.