

*Roll No. ....*

*Time allowed : 3 hours*

*Maximum marks : 100*

*Total number of questions : 6*

*Total number of printed pages : 6*

*NOTE : 1. Answer ALL Questions.*

*2. All references to sections relate to the Companies Act, 2013 unless stated otherwise.*

## **PART-I**

1. (a) “One of the ways of Corporate Restructuring is through market restructuring.” Explain with some recent corporate examples as to how this type of restructuring is undertaken.
- (b) “A company may merge with a Foreign Company, only if it is incorporated in any of the Jurisdictions specified under Rule 25A, of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.” Specify these jurisdictions.
- (c) “Profit on slump sale is a Capital Receipt.” Explain and support the statement through decided Case Laws.
- (d) National Company Law Tribunal (NCLT) has the powers to entertain and adjudicate upon certain matters under the Companies Act, 2013. Describe at least 10 such sections under which NCLT has adjudication powers under the Companies Act, 2013.

*(5 marks each)*

*Attempt all parts of either Q. No. 2 or Q. No. 2A*

2. (a) Critically examine the criteria considered by Competition Commission of India, before sanctioning or approving a Combination.
- (b) What are the types of valuation for a start-up unit ? Give any five methods.
- (c) X Ltd. is considering the proposal to acquire Y Ltd. and their financial information is given below :

Particulars	X Ltd.	Y Ltd.
No. of Equity Shares	1000000	600000
Market price per share (₹)	30	18
Market Capitalization (₹)	30000000	10800000

X Ltd. intend to pay ₹ 1,40,00,000 in cash for Y Ltd., if Y Ltd.'s market price reflects only its value as a separate entity, calculate the cost of merger :

- (i) When merger is financed by cash.
- (ii) When merger is financed by stock. (Assume that X Ltd. agrees to exchange 5,00,000 shares in exchange of shares in Y Ltd. instead of payment of cash of ₹ 1,40,00,000).

(5 marks each)

: 3 :

*OR (Alternate question to Q. No. 2)*

- 2A.** (i) “The valuation of shares is not only a question of facts, but also arises out of technical & complex issues.” Comment and analyse with the help of decided case laws.
- (ii) “An unlimited company can reduce the share capital of the company in a manner specified in the Article of Association of the company without confirmation of NCLT.” Comment. List out certain situations where no confirmation of Tribunal is necessary for reduction of capital.
- (iii) Often reputed companies appoint joint valuers for fair valuation of the company. Explain the procedure and purpose of joint valuation.

*(5 marks each)*

- 3.** (a) “An acquirer made an open offer to acquire shares. He subsequently withdrew the offer.” Can he do so ? If yes, what are the circumstances under which he can do so ? What is the procedure to be followed ?

*(3 marks)*

- (b) Constitution of National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT) has provided various new opportunities for Practicing Company Secretaries (PCS) which were not available earlier. Briefly enumerate the scope of services for PCS under NCLT and NCLAT regime.

*(3 marks)*

: 4 :

- (c) What are “Equity Carve-Outs” ? Explain with suitable examples. (3 marks)
- (d) Briefly state the effect of non-receipt of approvals or conditions enumerated in the scheme of amalgamation. (3 marks)
- (e) Does any tax concessions accrue to a foreign company in case of demerger ? (3 marks)

**PART-II**

4. (a) State the eligibility requirement for a debtor for the purpose of making an application for a fresh start process under the Insolvency and Bankruptcy Code, 2016.
- (b) “Home buyers can initiate corporate insolvency process.” Comment.
- (c) During the course of liquidation the liquidator noticed that some preferential transactions were made with some persons. What do you understand by preferential transactions ? State the orders that may be passed by the Adjudicating Authority in relation to the avoidance of preferential transactions.
- (d) Distinguish between winding up under the Companies Act, 2013 and liquidation in terms of the Insolvency and Bankruptcy Code, 2016. (5 marks each)
5. (a) “The word ‘Insolvency’ and ‘Bankruptcy’ are generally used interchangeably in common parlance, but there is marked difference between the two.” Explain. (3 marks)
- (b) “The Insolvency and Bankruptcy Code, 2016 will prevail over the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002).” Examine the statement with the help of decided Case laws. (3 marks)

: 5 :

- (c) What does the 'Insolvency Resolution Process Costs' mean under the Insolvency and Bankruptcy Code, 2016 ? Elaborate.  
(3 marks)
- (d) "Insolvency codes are not applicable to financial services." Examine this statement.  
(3 marks)
- (e) 'E-auction i.e. Auction on an online portal is fool proof method.' Discuss and describe the steps taken for auction under the Insolvency and Bankruptcy Code, 2016.  
(3 marks)

*Attempt all parts of either Q. No. 6 or Q. No. 6A*

6. (a) "The Insolvency Profession offers a challenging opportunity to the professional members as an Insolvency Professional plays a central role in the effective implementation of the Insolvency Law." Discuss this statement from the view that the success of an Insolvency/Bankruptcy case depends primarily on the quality of the professional attending it.
- (b) "A person convicted of any offence punishable with imprisonment for five years under any Act specified in the Twelfth Schedule of the Insolvency and Bankruptcy Code, 2016 is not eligible to be a resolution applicant under the Insolvency and Bankruptcy Code, 2016 (the Code)." Do you agree ? Give at least five grounds which make a person not eligible to become a resolution applicant under the Code.
- (c) Explain the measures provided to the secured creditor for taking possession and selling the secured asset in terms of Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002).

(5 marks each)

*OR (Alternate question to Q. No. 6)*

- 6A. (i) “UNCITRAL Model Law is not a law in its own right and has no force.” Comment.
- (ii) What are the provisions governing corporate debtor’s eligibility to Pre-packaged Insolvency Resolution Process.
- (iii) An application filed before National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 can be withdrawn before admission but not after admission. Discuss.

*(5 marks each)*

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