

## **LL.B. PART-II**

# **INSOLVENCY AND BANKRUPTCY CODE (IBC), 2016**

**[PAPER CODE: 307 B & 407 B]**

### **1. INTRODUCTION**

The Insolvency and Bankruptcy Code, 2016 (IBC) is a landmark legislation aimed at streamlining insolvency resolution in India, ensuring efficiency in debt recovery, and fostering economic stability. This course explores the legal framework, institutional structure, corporate resolution mechanisms, and judicial interpretations of insolvency laws in India. Students will study case laws, international insolvency frameworks, and regulatory mechanisms governing financial distress and corporate liquidation.

### **2. COURSE OBJECTIVES**

This course aims to:

1. Explain the concept and evolution of insolvency and bankruptcy laws in India.
2. Analyze the legal framework of the IBC, 2016 and its impact on corporate governance.
3. Examine the roles of adjudicating authorities, resolution professionals, and creditors.
4. Evaluate judicial precedents influencing insolvency proceedings.
5. Study cross-border insolvency challenges and emerging trends in financial restructuring.

### **3. COURSE OUTCOMES**

Upon successful completion, students will be able to:

1. Define and explain the legal principles governing insolvency resolution.

2. Differentiate between corporate and individual insolvency procedures under the IBC.
3. Analyze key landmark cases that shaped insolvency jurisprudence.
4. Demonstrate understanding of creditor rights and corporate liquidation mechanisms.
5. Evaluate cross-border insolvency frameworks and international best practices.

#### **4. COURSE STRUCTURE & RECOMMENDED READINGS**

##### **SEMESTER-III**

**(PAPER CODE: 307 B)**

**Full Marks: 50**

**(Theory Paper – 40 Marks, Internal Assessment – 10 Marks)**

**4 Credits [ 3 Lecture hours+1 Tutorials per week]**

**Required Lecture Hours: 48 Hours**

#### **PART A: INSOLVENCY AND BANKRUPTCY LAW**

##### **I. Concept and Evolution of Insolvency Laws (5 Marks)**

- Definition and significance of insolvency and bankruptcy
- Historical evolution of insolvency laws in India
- Objectives and key features of the IBC, 2016
- Comparison with international insolvency frameworks

##### **Landmark Case Laws:**

- *Innoventive Industries Ltd. v. ICICI Bank (2017)* – Applicability of IBC
- *Swiss Ribbons Pvt. Ltd. v. Union of India (2019)* – Constitutionality of IBC

##### **Recommended Readings:**

1. Sahoo, M.S. *Insolvency and Bankruptcy Code: A Commentary*, LexisNexis, 2021.

2. Rao, A. Corporate Insolvency Law in India, Eastern Book Company, 2020.

## II. Institutional Framework under the IBC (5 Marks)

- Role of Insolvency and Bankruptcy Board of India (IBBI)
- Functions of National Company Law Tribunal (NCLT) and Debt Recovery Tribunal (DRT)
- Duties and liabilities of Resolution Professionals (RP)
- Concept and implementation of Information Utilities

### Landmark Case Laws:

- *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta (2018)* – Resolution Professional's Role
- *Essar Steel India Ltd. v. Satish Kumar Gupta (2019)* – Creditor's Rights under CIRP

### Recommended Readings:

1. Khanna, S. Law and Practice of Insolvency and Bankruptcy, Thomson Reuters, 2022.
2. Gupta, R. Understanding the IBC: Structure & Process, Universal Law Publishing, 2019.

## III. Corporate Insolvency Resolution Process (CIRP) (5 Marks)

- Initiation of CIRP – Eligible Applicants and Process
- Moratorium and public announcement
- Committee of Creditors (CoC) – Formation and Decision-making
- Resolution Plan – Approval Process and Judicial Scrutiny
- Liquidation Process – Stakeholder Rights and Obligations

### Landmark Case Laws:

- *IDBI Bank v. Jaypee Infratech Ltd. (2020)* – Rights of homebuyers in CIRP

- *Maharashtra Seamless Ltd. v. Padmanabhan Venkatesh (2020)* – Liquidation preference

Recommended Readings:

1. Mookerjee, T. IBC & Corporate Restructuring Laws, Oxford University Press, 2020.
2. NCLT Judgments on CIRP – Ministry of Corporate Affairs Reports, 2021.

## **SEMESTER-IV**

**(PAPER CODE: 407 B)**

**Full Marks: 50**

**(Theory Paper – 40 Marks, Internal Assessment – 10 Marks)**

**4 Credits [ 3 Lecture hours+1 Tutorials per week]**

**Required Lecture Hours: 48 Hours**

PART A: INDIVIDUAL AND CROSS-BORDER INSOLVENCY (25 Marks)

IV. Insolvency Resolution for Individuals and Partnership Firms (5 Marks)

- Application Process for Insolvency Resolution under the IBC
- Bankruptcy Order and Moratorium
- Repayment Plan – Implementation and Creditor Approval
- Role of the Bankruptcy Trustee in Personal Insolvency

Landmark Case Laws:

- *Duncans Industries Ltd. v. A.J. Agrochem (2019)* – Personal insolvency disputes
- *Rohit Vats v. Central Bank of India (2021)* – Bankruptcy implications on individuals

Recommended Readings:

1. Paul, S. Personal Insolvency Law in India, LexisNexis, 2021.

2. Ministry of Finance Reports on IBC Implementation – Govt. of India, 2022.

#### V. Cross-Border Insolvency and Emerging Challenges (5 Marks)

- UNCITRAL Model Law on Cross-Border Insolvency
- International Best Practices and Global Case Studies
- Challenges in Implementation and Judicial Trends
- Recent Amendments and Future Roadmap

#### Landmark Case Laws:

- *Jet Airways (India) Ltd. v. State Bank of India (Netherlands Proceedings, 2021)*
- *McLeod Russel India Ltd. v. ICICI Bank (2022)* – International creditor claims

#### Recommended Readings:

1. UNCITRAL Model Law Reports on Insolvency – United Nations, 2019.
2. Sharma, B. Cross-Border Insolvency Frameworks, Oxford University Press, 2021.

\*\*\*\*\*